

CANADA

HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

THIRD SESSION—TWENTY-EIGHTH PARLIAMENT

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HOUSE OF COMMONS

Thursday, May 6, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

PROCEDURE AND ORGANIZATION

Fifth and sixth reports of Standing Committee on Procedure and Organization—Mr. Blair.

[*Translation*]

FISHERIES AND FORESTRY

First and second reports of Standing Committee on Fisheries and Forestry—Mr. Guay (Lévis).

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

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GOVERNMENT PUBLICATIONS

TABLING OF PAGES ONE AND TWO OF OCTOBER ISSUE OF "FOREIGN TRADE"

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, pursuant to Standing Order 41(2), and as indicated in the reply given to question No. 838 on April 28, 1971, I now wish to table copies, in French and English, of pages 1 and 2 which were omitted in the October issue of the *Foreign Trade* magazine published by my department. That correction does not apply to the magazine *Commerce extérieur.*

* * *

[*English*]

HEALTH AND WELFARE

STATEMENT BY MINISTER ON FAMILY PLANNING PROGRAM

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as I indicated to the House yesterday in reply to a question by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), I wish to outline very briefly the achievements of the family planning program within my department.

For the past several months, health and welfare officials of my department have been engaged in launching a Canada-wide family planning program in co-operation with the provinces and with professional and voluntary organizations. Our aim has been to include both health and welfare interests and responsibilities, ensuring co-ordination and making full use of the resources and capacities available. The department is also working with the Medical Research Council and with the International Development Research Centre in this program.

I expect that during the coming months we shall be able, through our existing and developing programs, to enhance our support of the growing efforts of the provinces and of voluntary groups and agencies. In this regard, as the latest development I am happy to say that I have recently approved a direct contribution of $100,000 to the Family Planning Federation of Canada to assist that organization to extend its activities throughout Canada.

• (2:10 p.m.)

In order to strengthen our combined efforts to promote family planning, we intend to hold a family planning conference in 1972, with participation of provincial health and welfare authorities, professional associations, citizen groups and other organizations. Such a conference will provide an opportunity to assess progress and to develop measures to improve and extend family planning services throughout Canada.

I realize that the time of the House is limited and therefore I will conclude my remarks. However, because of the interest of the House in this subject, in accordance with Standing Order 41 (2) I wish to table in both official languages a document which outlines in more detail the achievements of the family planning program of the Department of National Health and Welfare.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I thank the minister for supplying copies of his document on family planning in sufficient time for us to review its contents.

First I wish to say I am pleased that the government is making a reasonable start on introducing a program on family planning, but it is only a beginning and an elaboration of an information program which has been needed by thousands of families for many years. I would like to have seen more planning in the direction of needy families in line with the family income security plan.

The document indicates co-ordination with the provinces and other organizations but does not suggest, as it should, financial assistance for more family planning clinics in hospitals. This should be a very basic consideration. Only 23 of 948 Canadian subsidized hospitals have family planning centres. This brings up the fundamental question of the difficulty in providing counselling to the poor and poorly educated who live in areas that are far distant and isolated from this type of service. In this connection we hope that in order to overcome this difficulty a system of mobile clinics will be established to serve these remote areas in order to help those who need advice most. The dissemination of birth control information is important and in carrying out the task attention should be paid to those who, even at this sophisticated stage of our communications media, are far removed

geographically from those to whom they can look for advice.

I think it is worth while questioning the sufficiency of the sum of $100,000 granted to the Family Planning Federation of Canada to direct the publicity and advertising informing families of this service. I hope that, as the minister has stated, during the coming months he will increase government support to the provinces and voluntary groups.

Another question which should be answered is when the minister and the government will initiate legislation or regulations under the Food and Drug Directorate to require manufacturers of birth control devices to indicate on the label the level of effectiveness of their products.

I hope that the minister will also consult with his colleague, the Minister of Justice, for the purpose of clarifying the Criminal Code so that sterilization performed by qualified medical practitioners at the request of the patient will not involve criminal responsibility on the part of the practitioner.

We are pleased that the minister has chosen to implement some of the recommendations set out in the report of the Royal Commission on the Status of Women, and we hope that this year's program will consist of more than a mere introduction.

I had hoped that we would hear the minister speak today about the relationship of the basic need for family planning to assistance programs under the Canada Assistance Plan to provide increased benefits to those who are poverty-stricken. There will be great disappointment, that the family income security plan, as was stated by the minister, will not be introduced now so that the needy may receive the benefits announced in the white paper on income security. This is also a part of family planning. It is obvious from the criticisms of the white paper by the Canadian Welfare Council that new reviews and discussions will have to take place in the cabinet. The delay will have a serious effect on many thousands of our citizens, and I implore the government to take the necessary action as quickly as possible. I hope the upcoming conference of provincial ministers of welfare will show Canadians that positive action will be forthcoming, and that ongoing discussions will take place in order to make progress in line with the document introduced today.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I wish to thank the minister for his courtesy in making this statement and the accompanying document available in time to give us a chance to study it before commenting on it. I am sure all of us are very happy to be in on what the minister has described as the launching of a Canada-wide family planning program. I do not know whether he should have provided champagne for the launching. We will have to find out whether the ship is good, stout and seaworthy. She has been stuck on the ways for quite a while now, and I am very much relieved to see that at last she is going down to the sea.

It is not always that one has a chance to commend the minister for something really solid, apart from words, but there are certain solid features of this program which appeal very much to many hon. members. For one thing, Mr. Speaker, the program is Canada-wide. This is an excellent thing at a time when the mobility of people is making boundaries, provincial or otherwise, less and less relevant.

Another point in the minister's statement on the program which I like very much was the indication that there is to be co-operation with the provinces, with the professions and with voluntary organizations. I am very glad that the minister used the plural—organizations.

Some people feel that the $100,000 to be given to the Family Planning Organization is not a great deal in comparison with what will be needed to handle the business of family planning across Canada but, after all, this is probably just a start with the major family planning organization. It is obviously a very good start, and let us hope that there will be more to come. What I am glad to see is that $100,000 in good hard cash is being made available for this purpose because, if the repeal of the provision in the Criminal Code which prevented the dissemination of birth control information was a milestone, as the minister described it, I am hoping this program will prove to be a second milestone on the way to helping people plan, space and limit their families. I am hoping that this will be a beginning in making the Canadian people realize that population experts are not just talking nonsense when they talk about the need to limit the average family to two children. If we cannot work in that direction, Mr. Speaker, then it is absolutely ridiculous to talk about improving the quality of life in this country because the quality of life is dependent on our keeping the population within bounds.

There is great need for this new planning program. I cite to hon. members the latest example that came to my attention. Just this morning I was told that more than half of the babies born in the Ottawa Civic Hospital last week were born out of wedlock. I am convinced it is not only in Ottawa that people need to be told about ways and means of not having children, particularly children that they cannot look after and do not welcome. I believe that contraception, family planning and birth control are the first line of defence against unwanted pregnancy.

I congratulate the minister on taking this action because it will mean that abortion will not be necessary on as wide a scale now that we are undertaking family planning by the other route of birth control and use of contraceptives. I know there is much lacking in this program, Mr. Speaker, but in the accompanying document I notice that the minister makes reference to the way in which the Canada Assistance Plan can be used or has a potential for use in dealing with family planning if the provinces come through with requests for programs and put up 50 per cent of the cost in order to get the other 50 per cent from the Department of National Health and Welfare.

Also, Mr. Speaker, for training personnel to staff family planning clinics both professional training grants and the National Welfare grants program can be used.

This is a very important subject, Mr. Speaker, but I am not going to trespass on the time of the House. I am just going to congratulate the minister on taking one of the very important steps recommended by the Royal Com-

mission on the Status of Women, that family planning be instituted across Canada. I believe this program will make that a possibility.

• (2:20 p.m.)

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I would ask you to be patient enough to listen to the Creditistes who have things to say which are quite different from what the minister and the two hon. members who spoke before me had to say.

I wish to thank the minister for having distributed his statement in advance, a gesture which allowed us to study it from the first line down to the last.

I find the minister's attitude in the House—and that goes for the two members who spoke before me, too—simply scandalous. In my view, the Minister of National Health and Welfare (Mr. Munro) should promote the family ideal in Canada. However, when I look closely at the minister's statement, I see that while he appears to be promoting family planning, he is actually favouring the destruction of the family.

In the circumstances, the Minister of National Health and Welfare, who is responsible for the Canadian family, should resign because instead of being in favour of the Canadian family he is against, as he has just most explicitly demonstrated.

The minister should, in this House, promote the respect for and the beauty of the Canadian family. But the statement that he has just made proves that he wishes to subject the Canadian family to the requirements of finance, because the financial system does not allow Canadian families to flourish, grow and be comprised of more than two children, as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) has just claimed. Although I could not have children, being of the male sex, I am still a father of seven, and quite happy with my lot.

Some hon. Members: Shame!

Mr. Rondeau: I fail to understand how some hon. members, and the three who have spoken before me, can advocate the destruction of the Canadian family instead of its promotion. They may be influenced by the believers in the myth that the world is over-populated.

When people mention human pollution or over-population, I rather feel that the pollution exists in their own minds. It is a shame to hear them talking about over-population when Canada, a young country with only 22 million people, can feed and help develop and prosper over 100 million citizens.

Mr. Speaker, I can neither understand nor approve the attitude and the way of thinking of the hon. members who accept the position and the statement of the Minister of National Health and Welfare.

The minister has also announced that, under the new law, it will be legal to advertise contraceptives anywhere in Canada.

He also announced that the Family Planning Federation of Canada will henceforth be recognized by the Department of National Revenue as a charitable organization so that contributions to it will be tax deductible.

I am convinced that if the Prime Minister (Mr. Trudeau) does not transfer him before long, the Minister of National Health and Welfare will come again before the House to announce a monthly bonus for each child that a mother will not have raised. Thus, the latter will be better rewarded than a mother who will have raised children.

Thirty-five years ago, the Department of Agriculture paid $2 to farmers of both eastern and western Canada not to raise any hogs, and at that time farmers did their best not to produce any. Some of them were resourceful enough not to raise 2,000 hogs.

I am therefore wondering whether the minister will not include in the legislation provision for an allowance to be paid by his department to mothers who use contraceptives.

Mr. Speaker: Order, please. I feel I must remind the hon. member and, indirectly, other members participating in the debate, that according to the Standing Order of the House comments of party representatives after a minister's statement should be brief.

Mr. Rondeau: Mr. Speaker, I am taking your kind remarks into consideration and I must say that I was about to close. As I said before, I am shocked and surprised to see that in the House charity has become selfishness and selfishness charity. The Department of National Health and Welfare, according to the minister's statement, spent $90,000 last year to promote the destruction of the family. For this year, he has just stated that the department he heads will be spending a further $100,000, not to promote the family, as indicated in the document he has tabled, but to promote its destruction, to the prejudice of our beautiful country.

* * *

[*English*]

GRAIN

TABLING OF INTERNATIONAL WHEAT AGREEMENT, 1971

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table in both official languages copies of the International Wheat Agreement, 1971.

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CANADA-FINLAND SUPPLEMENTARY INCOME TAX CONVENTION ACT, 1971

MEASURE TO APPROVE SUPPLEMENTARY CONVENTION

Hon. Allan J. MacEachen (for Minister of Finance) moved the first reading of Bill S-18 (from the Senate), to implement a supplementary income tax convention between Canada and Finland.

Motion agreed to and bill read the first time.

Inquiries of the Ministry

ORAL QUESTION PERIOD

FINANCE

INTERNATIONAL MONETARY CRISIS—EFFECT ON CANADIAN DOLLAR

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is to the Minister of Finance. Is the minister in a position to make a statement to the House giving in some detail the situation in the international money market, and also how he foresees that the Canadian dollar position will be protected by steps taken to date so that we do not suffer any splash, shall we say, from this international monetary crisis which is building up to very serious proportions?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would consider making such a statement when the position is somewhat clarified. I understand that the finance ministers of the European Economic Community are meeting in Brussels on Saturday and that the German cabinet has scheduled a cabinet meeting for Saturday afternoon. So far as the Canadian dollar is concerned, there has been very light trading in the Canadian dollar and its value has not been affected materially.

Mr. Lambert (Edmonton West): The minister will appreciate, of course, that the Canadian dollar could be considerably affected if there is, shall we say, a movement away from certain currencies and the Canadian dollar becomes a currency of refuge for speculators. We must also consider the position of our exporters, and I think that is the position the minister must guard the most.

* * *

AGRICULTURE

INTERPROVINCIAL MARKETING—QUEBEC LEGISLATION TO ESTABLISH BORDER CONTROL STATIONS—GOVERNMENT POLICY

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Minister of Justice. Has the minister seen the legislation to establish border control stations which the government of Quebec is proposing, or has he been consulted in regard to the implications of this legislation with respect to trade in agricultural products?

Hon. John N. Turner (Minister of Justice): No, Sir, not yet.

Mr. Gleave: In view of the fact that Bill C-176, which the minister referred to yesterday, does not provide any protection against obstacles to interprovincial trade, will he now join the government of Manitoba and support its application to the Supreme Court of Canada so that we may have a decision from the highest court regarding the crucial problem of interprovincial trade in agricultural products?

Mr. Speaker: Order, please. It seems to me that the hon. member's supplementary is similar to a question which was asked yesterday or the day before.

[Mr. MacEeachen.]

Mr. James A. McGrath (St. John's East): I wish to direct a supplementary question to the Prime Minister. What is the policy of the government toward this move to balkanize Canada which could be followed by other provinces and would result in the effective balkanization of the country?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe our policy has been announced to the House on this matter.

Mr. McGrath: In view of the concern felt in the country over these moves to restrict the free flow of trade between provinces, which could have very serious detrimental effects on some provinces, including my own, I think the House deserves a much better answer than the Prime Minister gave, which in fact was no answer at all.

Mr. Speaker: The hon. member for Calgary North on a supplementary.

Mr. Lewis: On a point of order, Mr. Speaker, with great respect, a similar question was asked yesterday to the one asked by the hon. member for Saskatoon-Biggar with regard to joining the government of Manitoba in its application to the Supreme Court of Canada. The answer was that Bill C-176 would do the job. I suggest, Mr. Speaker, that the question the hon. member for Saskatoon-Biggar asked took precise note of what the Minister of Justice said yesterday. He suggested to the minister that Bill C-176 does not have anything to do with it and asked him whether, in view of that, he would join the government of Manitoba in its application to the Supreme Court of Canada because the subject matter is of immense importance to the country.

Mr. Speaker: The hon. member for Calgary North.

INTERPROVINCIAL MARKETING—INSTRUCTIONS TO FEDERAL COUNSEL IN PROCEEDINGS BEFORE SUPREME COURT

Mr. Eldon M. Woolliams (Calgary North): In light of the questions asked today and the answer given yesterday by the Minister of Justice and in view of the constitutional question of free trade and keeping this country together and unified, will the Minister of Justice now accept his responsibility, stand in his place and advise the House whether he has instructed counsel to represent the federal government, whom he has instructed, what province that counsel is from, and what are the instructions? This is not an ordinary case. It is a constitutional question.

Some hon. Members: Hear, hear!

Mr. Speaker: Perhaps the minister might reply to the supplementary just asked by the hon. member and the supplementary asked by the hon. member for Saskatoon-Biggar.

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I did say yesterday in reply to questions put to me by the hon. member for Calgary North and the hon. member

for Peace River that I had instructed counsel to represent the federal government before the Supreme Court of Canada on the appeal from the Manitoba Court of Appeal. I can now add that I have instructed counsel to defend the constitution in so far as those areas relating to interprovincial trade and the British North America Act are concerned.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): With regard to the counsel we have appointed, I would like to get a more precise answer for the hon. member later.

Mr. Woolliams: A supplementary question. I hope Your Honour will not think that it is argumentative. It is not meant that way. In view of the answer of the Minister of Justice as to what instructions were given, if he knows the instructions can he now tell us to whom he gave those instructions? How can he give instructions if he does not know to whom they were given?

Mr. Turner (Ottawa-Carleton): I think the hon. member knows how this works. I gave the instructions to the Deputy Minister of Justice. Whether the Deputy Minister of Justice has asked that the department be aided by outside counsel, that is, counsel in private practice, or whether he is relying on the very capable officials and counsel within the Department of Justice, I do not know. However, instructions were given to the Deputy Minister of Justice and he will see that the department is represented before the Supreme Court of Canada.

Mr. Woolliams: Is the Minister of Justice thinking of resigning?

INTERPROVINCIAL MARKETING—QUEBEC LEGISLATION TO ESTABLISH BORDER CONTROL STATIONS—SUGGESTED DELAY—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): I have a supplementary question for the Minister of Justice. With the residual powers the minister has under the constitution, does he intend to ask the province of Quebec to cease and desist from the erection of these inspection stations until the matter has been resolved by the courts?

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Saskatoon-Biggar.

Mr. Horner: On a point of order, Mr. Speaker. The Minister of Justice was about to attempt to answer.

Mr. Speaker: Perhaps the hon. member was looking at the minister more closely than I. He did not appear to be rising very quickly. The Chair will recognize the hon. member for Saskatoon-Biggar on a supplementary. Perhaps the minister might then indicate whether he wants to reply to both questions.

Mr. A. P. Gleave (Saskatoon-Biggar): In view of the lack of clarification of the government's stand on this issue, will the Minister of Justice very soon report to the House clearly and distinctly what action the government proposes to take?

Hon. John N. Turner (Minister of Justice): The government's position has been made quite clear by the Minister of Agriculture, namely, that Bill C-176 will provide co-ordinated marketing legislation that might well be the vehicle for solving the problem.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

[*Translation*]

Does the hon. member for Sainte-Marie want to put a supplementary question?

Mr. Georges Valade (Sainte-Marie): I want to direct a different question, Mr. Speaker.

[*English*]

Mr. Speaker: I suggest to hon. members that we might return to this matter in a few minutes. I realize it is a matter which is obviously of interest to all hon. members, but at this point it might be desirable to recognize the hon. member for Lotbinière and then return to this matter.

* * *

[*Translation*]

GOVERNMENT PUBLICATIONS

"CANADA 1971"—ALLEGED ERROR CAUSING PREJUDICE TO SOCIAL CREDIT PARTY OF CANADA

Mr. André Fortin (Lotbinière): Mr. Speaker, I want to direct a question to the hon. Minister of Industry, Trade and Commerce.

Can he say whether he took part, before its publication, in the supervision of the booklet entitled "Canada 1971" which pretends to be the annual magazine about present living conditions and recent developments, prepared by the Dominion Bureau of Statistics and whose publication has been approved by the hon. minister himself?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker.

Mr. Speaker: Does the hon. member for Lotbinière want to put a supplementary question?

Mr. Fortin: Yes, Mr. Speaker.

Did the hon. minister know that in this booklet, prejudice is inflicted directly to a political party represented in this House, a party whose name is "Social Credit Party of Canada" but which was known as Ralliement créditiste of Canada before this booklet was issued?

Mr. Pepin: No, Mr. Speaker, I am not aware, but I shall inquire. If there is any mistake and if there are apologies

to be tendered, I shall oblige on behalf of whoever wrote those words.

Mr. Fortin: I wish to point out the seriousness of the statements made in this publication and I shall quote from them briefly. I refer to the following sentence on page 46:

> The Social Credit Rally is the former Quebec wing of the Social Credit party, which, outside Quebec, has now virtually disappeared from federal politics.

Since public funds are thus used to mislead the Canadian people and especially our younger generations, would the minister agree to request the immediate withdrawal of this book and to have it corrected so that Canadians will not be misinformed concerning the status of the Social Credit Party of Canada which is faring better than ever?

Mr. Pepin: Mr. Speaker, I could certainly crack a few good jokes on this subject, but I shall refrain.

I would simply like to repeat what I said a few moments ago, that I will peruse through the brochure and, again, if apologies are in order, I will make them.

Mr. Fortin: May I ask a supplementary question, Mr. Speaker?

Mr. Speaker: Order. The hon. member may put a supplementary, but we must proceed with the question period because we will run out of time very shortly.

Mr. Fortin: Thank you, Mr. Speaker.

The minister has undertaken to apologize if need be, but the situation is more serious than that.

Since in addition the English version differs from the French version, is the minister prepared to discontinue the distribution of the brochure and replace it with a new factual one?

Mr. Pepin: Mr. Speaker, perhaps we might take measures which are somewhat less dramatic than those suggested by the hon. member. I read recently a booklet written by the leader of the Social Credit which contained a whole list of errata; perhaps we might use the same method with regard to this document.

* * *

[*English*]

AGRICULTURE

INTERPROVINCIAL MARKETING—POLICY RESPECTING PROVINCIAL REGULATIONS INTERFERING WITH FREE TRADE

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to return to the very important matter of free trade interprovincially in agricultural products. In view of the fact that Bill C-176 only comes into effect with the intervention of the provinces and some provinces have already indicated they will not support it in its entirety, will the Prime Minister indicate that the federal government's policy, if this is its policy, is vigorously and strongly opposed to any provincial regulations interfering with the free movement of goods between provinces which constitutes a basic and cardinal principle of confederation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have done this several times. The latest time I did so in the presence of the provinces was at the federal-provincial meeting, the one before last. This whole matter was discussed. We were urged by the provinces to get along with Bill C-176 which the overwhelming majority of them thought was the proper solution to this problem.

Some hon. Members: Hear, hear!

Mr. Trudeau: Of course, the opposition is really defeating its own purpose. It is criticizing the government for not having a policy when it is preventing that policy from at least being tried. I think the opposition is in a very sorry state in this regard.

Some hon. Members: Hear, Hear!

Mr. Baldwin: On a point of order, Mr. Speaker. The remarks of the Prime Minister are, of course, argumentative and should not be made. It would be equally argumentative for me to say we are in this mess because the government was too cowardly to do something about it some time ago.

Mr. Speaker: Order, please. I do not wish to limit supplementaries unduly, but I believe we should soon move on to another subject. We have spent about 15 minutes of the question period on this subject and we shall be running short of time. If hon. members feel this is in order, I might allow a supplementary to the hon. member for St. John's East. I believe the hon. member for Lotbinière has a supplementary also but for the moment the Chair will recognize the hon. member for St. John's East.

INTERPROVINCIAL MARKETING—QUEBEC LEGISLATION TO ESTABLISH BORDER CONTROL STATIONS—SUGGESTED DELAY

Mr. James A. McGrath (St. John's East): I wish to pursue the matter, Mr. Speaker, because the Minister of Justice was attempting to answer my original question—which I shall now rephrase—but he did not catch Your Honour's eye. Will the government, using the residual powers it has under our constitution, ask the province of Quebec to cease and desist from the establishment of these inspection stations until the question has been resolved either by Parliament or the courts?

Hon. John N. Turner (Minister of Justice): I do not know what power the hon. member has in mind. We do not have the power to effect regulations. As far as the power of reservation and disallowance is concerned, that has not been exercised by the federal government since

1943. The matter is now properly before the courts and, short of legislation, it will be for the Supreme Court of Canada to decide whether any cease and desist order should issue.

Mr. Woolliams: On a point of order, Mr. Speaker. I hope the Prime Minister did not mislead the House with reference to the position of the provinces. I do not believe that the province of Alberta, the province of Saskatchewan or any other western province would, because of their major primary industry being agriculture, endorse the balkanization of this country. I would hope that the Prime Minister, with his knowledge of constitutional law, would now rise and correct that misunderstanding.

Mr. Trudeau: On the same point of order, Mr. Speaker. I was asked by the opposition whether I had made this point to the provinces. My answer is yes, I did. When the hon. member talks of balkanizing Canada he may be reflecting the result of the obstructionism of his own party.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): A supplementary question to the Minister of Justice. Since the hon. gentleman has said he has not seen the legislation which is presently before the Quebec legislature, the bill which purports to give authority to set up inspection stations for agricultural products, in this case, I think, eggs, and in view of the serious repercussions this could have for the rest of Canada, would the minister undertake to secure a copy of that legislation and make a statement on motions as to what the federal government's intention is with respect to this legislation in order to prevent very serious dislocation in the movement of agricultural products across provincial boundaries?

Mr. Turner (Ottawa-Carleton): I shall certainly secure a copy of the bill before the Quebec legislature, but what action the federal government could take in expressing an opinion about that bill, or expressing a constitutional view about the bill, is highly doubtful. If the measure is to be challenged, it will be challenged before the courts, and the reference from Manitoba is presently before the Supreme Court of Canada. The other alternatives are, of course, interprovincial negotiation or the type of co-ordinated marketing legislation envisaged by the Minister of Agriculture.

* * *

[*Translation*]

NATIONAL DISASTERS

ST. JEAN-VIANNEY—FEDERAL ASSISTANCE TO VICTIMS

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to direct a question to the Prime Minister.

In view of the statement he made yesterday in the House, would he tell us if the government has decided to offer financial or other assistance to the St. Jean-Vianney victims and, if so, what kind of help will it be?

Right Hon. P. E. Trudeau (Prime Minister): As I said yesterday, Mr. Speaker, we will abide by the procedure in the present case. The municipality needs only to make a request to the federal government through the provincial government. To my knowledge, such a request for assistance has not yet been made. The hon. member wants, like us I think, to show consideration for the constitution and would not wish the federal government to intervene "over the head" of local authorities.

Mr. Fortin: Mr. Speaker, I should like to put a supplementary question.

I should like to ask the Prime Minister if, without prejudice to the constitution, he has sent an observer who would keep him informed of problems experienced by those stricken people?

Mr. Trudeau: Yes, Mr. Speaker. In addition to the observers which I mentioned yesterday, that is some members of the Canadian armed forces and officials of the Central Housing and Mortgage Corporation, I can say that the one chosen by the constituents to represent them in Ottawa, namely the member for Lapointe, has been sent on the scene.

* * *

OFFICIAL LANGUAGES ACT

DELAY IN ESTABLISHMENT OF BILINGUAL DISTRICTS—DISCUSSION AT FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to put a question to the right hon. Prime Minister.

Does he intend to defer any decision about the establishment of bilingual districts or the implementation of the Advisory Board's recommendations to a later date, that is after the prime ministers' conference next month, to allow provinces to make representations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand the Secretary of State answered that question yesterday in the House when he explained that the legislation itself forbids any interference in that area before a delay of 90 days. This gets us much later than June 15 and 16.

Mr. Valade: Mr. Speaker, I have a supplementary.

Can the Prime Minister tell the House whether he intends to include formally this item on the agenda so that all premiers can take part in the discussion?

Mr. Trudeau: Mr. Speaker, the matter of the agenda of the June conference is not yet settled. There are exchanges between the provinces and the federal government in order to know which items should be on the agenda. I cannot therefore answer with certainty any question on that subject.

Inquiries of the Ministry

[*English*]

INDUSTRY

AUTOMOBILES—UNITED STATES CUSTOMS COURT DECISION RECLASSIFYING CANADIAN-FORGED PARTS AS DUTIABLE

Mr. A. D. Hales (Wellington): I should like to address my question to the Minister of Industry, Trade and Commerce. It is related to a question I asked him on April 27 and concerns an United States customs court decision on imports of Canadian forged auto parts which is in direct violation of the auto pact. I would ask what results his representations have produced?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I did secure more information on that subject. I found the following. The Canadian exporters concerned have advised the department that their forgings are subjected to additional processing which both they and we consider to be sufficient processing to allow for the continued free entry of these forgings into the United States under the auto pact. In conjunction with the industry, the government has made representations to the United States Bureau of Customs to this effect. The bureau is expected to rule very soon, and the decision is expected to be favourable.

Mr. Hales: What steps does the minister propose to take if the decision is not satisfactory?

Mr. Speaker: The hon. member's question is hypothetical.

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ROYAL CANADIAN MOUNTED POLICE

PURPOSE OF INQUIRY INTO DROPPING OF LITERATURE PROTESTING AGAINST BILL C-176 FROM AIRPLANE

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I had intended to address my question to the Solicitor General who I understood was supposed to be in the House today according to the roster system. In his absence perhaps I might address it to the Minister of Justice who acts on his behalf. What was the reason or purpose of the RCMP inquiry into the procedure used by western ranchers and farmers of dropping literature from an airplane protesting against Bill C-176 at several rural points in southeastern Alberta?

Hon. John N. Turner (Minister of Justice: I will take that question as notice on behalf of the Solicitor General.

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AGRICULTURE

POLICY RESPECTING SUPPORT PRICE OF WOOL

Mr. Rod Thomson (Battleford-Kindersley): My question is directed to the Minister of Agriculture. In view of the low cash returns to wool producers, will the minister say whether the government intends to continue deficiency payments on wool at the same level as last year?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, an announcement was made some time ago and the cheques have already been issued in the amount of something over 17 cents per pound, bringing the support price up to 45 cents. If the hon. member is asking whether it is the same as it was in the past, of course it is not as high as it was last year.

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THE CANADIAN ECONOMY

FOREIGN OWNERSHIP—INQUIRY AS TO PUBLICATION OF REPORT

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I should like to ask the Prime Minister whether he can assure us that the report of the task force on foreign ownership and economic nationalism, being chaired by his colleague, the Minister of National Revenue, will be made public and that it is not contemplated it will be in the form of an internal working document and thus be confidential?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I cannot give that assurance. The minister has told the House repeatedly that this was not properly a task force which would issue a report to be published. It was a working group within the department, assisted by others, which will submit recommendations to the government for study. What will be done then, beyond a policy announcement, will have to be known by the opposition in due course.

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[*Translation*]

AGRICULTURE

INTERPROVINCIAL MARKETING—STUDY OF ONTARIO LAW RESPECTING BROILERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask the Minister of Justice a question.

In view of the reply he has just given, namely, that he is willing to study the validity of Quebec's legislation dealing with the establishment of inspection stations in the interest of egg producers, could he at the same time assure the House that he will also study the Ontario legislation concerning broiler producers particularly?

Hon. John N. Turner (Minister of Justice): Yes, Mr. Speaker.

* * *

[*English*]

HARBOURS

CHURCHILL—INSTALLATION OF EQUIPMENT TO HANDLE COARSE GRAINS AND OILSEEDS

Mr. Robert Simpson (Churchill): Mr. Speaker, I have a question for the Minister of Transport but in his absence

I should like to direct it to the acting minister or the parliamentary secretary. In view of the announced protective wheat purchasing policy recently introduced in the United Kingdom, which may have an adverse effect on wheat shipments out of the port of Churchill because wheat is the only grain presently exported out of that port, will the minister confer with officials of the National Harbours Board to see if the necessary equipment can be installed at Churchill to handle coarse grains and oilseeds?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): I will take the question as notice, Mr. Speaker.

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CANADIAN CONSTITUTION

RETROACTIVITY OF SUGGESTED NEW BILL OF RIGHTS

Mr. David MacDonald (Egmont): Mr. Speaker, last evening the Minister of Justice returned to the theme of a new bill of rights entrenched in the constitution. I wonder whether in contemplating this new bill of rights the minister can indicate to the House that it will have a retroactive aspect in the same manner as the bill introduced last fall respecting public order?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, the assumption is wrong so I cannot answer the question.

Mr. MacDonald (Egmont): Mr. Speaker, will the minister indicate whether in this bill of rights the government is now returning to the previously held position under English common law that there will be a presumption of innocence rather than a presumption of guilt as in the bill introduced earlier by the minister?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, the assumption is again wrong. We have always held the presumption of innocence as paramount.

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NATIONAL DEFENCE

AVAILABILITY OF SUPPLEMENTARY BENEFITS TO EX-SERVICE PERSONNEL BELOW AGE 60

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of National Defence. Since the government reorganization measure, Bill C-207, which was before us some time ago, anticipates superannuation after 30 years in the Public Service, has the government considered altering the Statute Law Amendment Act in order that supplementary benefits of 2 per cent to 42 per cent will be available to ex-service personnel of the Canadian forces below age 60?

Hon. Donald S. Macdonald (Minister of National Defence): I would have to study the hon. member's question, Mr. Speaker.

Inquiries of the Ministry

[*Translation*]

POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—DISCUSSIONS WITH QUEBEC FINANCE MINISTER ON METHOD OF FINANCING

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Are there discussions going on at the present time between him and the Quebec authorities concerning the James Bay hydroelectric project and will the government agree to participate, financially as well as physically, in the development of this project?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the Minister of Finance spoke yesterday about the financing of the project. As for me, I have not had any official discussions on the subject.

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[*English*]

FISHERIES

STEPS TO ENSURE THAT LEGITIMATE SALMON FISHERMEN RECEIVE LICENCES

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I should like to direct my question to the Minister of Fisheries and Forestry, but in his absence I will direct it to his parliamentary secretary who appropriately is wearing a salmon pink shirt. In view of the fact that the new salmon fishing regulations require that an applicant for a licence must produce evidence of having held a licence last year, and in view of the fact that fisheries officers advised applicants last year that only the crew leaders of salmon fishing boats required to be licensed, what steps is the minister willing to take to ensure that all legitimate salmon fishermen may be eligible for licences irrespective of whether they held one last year?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, the salmon pink shirt I am wearing was made in my riding. The matter referred to by the hon. member is under active consideration, but there are appeal boards set up to deal with such matters.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, in view of the fact that the new regulations announced by the department come into effect on May 15, will the minister's department immediately revise and review the regulations especially as they pertain to fishermen who may not receive licences now but who prepared for the fishing season by buying and manufacturing fishing gear during the winter of 1970 and now find themselves unable to use that fishing gear during this season? Will he immediately review the matter and clarify the position in the hope that these people will be allowed to prosecute salmon fishing during the 1971 season?

Mr. Corbin: Mr. Speaker, I should again like to advise the hon. member that this matter is under active consid-

eration and we hope to be in a position to issue a statement on it later this week.

PROTESTS AGAINST PROPOSED WEST COAST FISHING LICENCE REGULATIONS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I should like to ask the parliamenary secretary whether the protests against proposed fishing licence regulations on the west coast are also under consideration?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): I am not aware of that, Mr. Speaker, but I shall look into the matter.

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ENVIRONMENTAL AFFAIRS

AUTHORITY FOR ISSUANCE AND DISTRIBUTION OF PUBLICATION, "BI-MONTHLY RESEARCH NOTES"

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Parliamentary Secretary to the Minister of Fisheries and Forestry. Perhaps the minister can answer this question when he returns to the House. On March 16, as recorded at page 4293 of *Hansard,* I asked a question in respect of a publication issued under the authority of the minister of the environment. This is a publication called "Bi-Monthly Research Notes", put out by the forestry division. My question referred particularly to this publication for the months of January and February. I have now the next issue of the magazine for the months of March and April, again issued under the authority of the minister of the department of the environment. In view of the fact there is a bill before the House relating to the establishment of this department, and an amendment to that bill, I feel that this affects my privileges and that the House is entitled to an explanation.

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Mr. Speaker, I will bring that matter to the minister's attention.

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LABOUR CONDITIONS

APPLICATION OF FEDERAL OR PROVINCIAL LABOUR STANDARDS CODES TO WORKERS AT STE. SCHOLASTIQUE AIRPORT

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct my question to the Minister of Labour. Notwithstanding the fact that the work on the Ste. Scholastique project has resumed while there still remains a problem as to whether the Canada Labour (Standards) Code or the provincial code is applicable, can the minister advise whether he is aware of this peculiar problem and, if so, has he directed any written and definitive statement to the contractors involved as to which code is actually in effect?

Hon. Bryce Mackasey (Minister of Labour): Some time ago I notified the contractor that his obligation to the federal government was a contractual one and that his obligation to the province was a legal one.

[Mr. Corbin.]

STE. SCHOLASTIQUE AIRPORT—USE OF FEDERAL OR PROVINCIAL MANPOWER OFFICES TO PROVIDE WORKERS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, is the minister in charge of manpower aware of the fact that the Minister of Labour in the province of Quebec has indicated to the contractors that they are to deal with the provincial manpower department rather than the federal department and, if so, will he advise the House what action he is taking in terms of advising the contractors involved?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we are of course fully aware of the advice and the legislation in this area in the province of Quebec. It is also a fact that contractors have certain obligations under their contracts in connection with certain developments undertaken by the federal government. The services of the Canada Manpower Centres are involved in this obligation and are fully available. In many cases, they are being used.

Mr. Alexander: Mr. Speaker, I have a further supplementary. I wonder whether the minister could perhaps advise us right now in respect of federal projects? Am I to understand from the minister that it is the federal manpower service which takes precedence?

Mr. Lang: Mr. Speaker, as I indicated, the obligations of the contractors are with the federal government under certain terms of the contract. In those circumstances, our offices are offering services and are making placements.

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GRAIN

WHEAT—INQUIRY AS TO FINAL PAYMENT FOR 1969-70 CROP YEAR

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the concern by western farmers about the final wheat payment this year, can the minister indicate now whether or not there will be such a payment?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the pool for the 1969-70 crop year for wheat was closed effective April 30, but in the ordinary course it takes a fair number of weeks before the Wheat Board can make a final calculation in respect of the final payment since there is involved the transfer of a certain amount of wheat from one pool to another. There is every prospect there will be a payment, but at this stage I could not attempt to estimate the figure.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I ask whether this payment will be out in time for the election?

Mr. Lang: I should hope so, Mr. Speaker.

TRADE

SUGGESTED SALE OF SWORDFISH TO OTHER COUNTRIES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. In view of the serious financial difficulties presently being experienced by the swordfish fishermen in Atlantic Canada as a result of the mercury scare, has the minister made any inquiries of European countries or Japan in an effort to sell swordfish to those countries, since they are still catching them?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will take this question as notice, Mr. Speaker. May I deal with a question asked previously, Mr. Speaker?

Mr. Speaker: Order. I realize the minister has tried to catch the Speaker's eye, and this may be the time to recognize the minister. However, I should like to bring to the attention of hon. members that there are only five minutes remaining. I shall allow the minister to answer a previous question, but I hope the reply will be short and that subsequent questions will also be short.

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THE CANADIAN ECONOMY

USE OF NET SOCIAL BENEFIT RATHER THAN GROSS NATIONAL PRODUCT AS INDICATOR OF PROGRESS

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, in reply to a question asked on Tuesday by the skeptical member for Edmonton West I wish to inform him that Statistics Canada—the Dominion Bureau of Statistics—is as I assumed, looking into that matter. There is widespread interest among statisticians, I am informed, in the possibility of developing a set of "social accounts" which might provide in a different sphere the sort of logical structure—obviously, I did not write this—which the "national accounts" and "gross national product" have provided for many years.

The topic is under study by the statistical agencies of the OECD and the United Nations, and the Dominion Bureau of Statistics is participating actively in this work. Thus far the project has been exploratory. At the moment, a senior officer of DBS is at meetings in Europe on the matter.

So, obviously NSB was something quite well known among enlightened people.

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GRAIN

RAPESEED—REPRESENTATIONS FROM JAPANESE IMPORTERS RESPECTING POSSIBLE INCLUSION UNDER WHEAT BOARD

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the minister in charge of the Wheat Board. Has the minister or his department received any communications directly from Japanese importers on the possible inclusion of rapeseed under the Canadian Wheat Board Act and, if so, would he say what the tenor of the communications was?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I have received a number of wires from sources, including sources in Japan, on this subject but also broadly related to the question of the rapeseed market. In some cases it was not easy to tell whether their concern was about the suggested closing of the Vancouver futures market which had been contemplated by the Winnipeg Grain Exchange or some other steps being taken or whether it was the result of the erroneous report about the bill which was given initially. I have also received telegrams from them two months ago on the general subject of the problems they were having with the rapeseed market, following which there was action on our part in conjunction with the rapeseed association and the Winnipeg Grain Exchange to correct the situation.

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FINANCE

INCLUSION IN BUDGET OF INCENTIVE TO INCREASE SALE OF DURABLE GOODS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is for the Minister of Finance. In light of a recent survey which indicates that buying intentions for durable consumer goods have not improved since last fall, will the government consider an incentive in this area in next month's budget?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I do not know the survey of which my hon. friend speaks. I do know there are indications that consumer spending is increasing in Canada.

Mr. MacDonald (Egmont): Mr. Speaker, my question is—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Spadina on a supplementary, but we are running short of time. I bring this to the attention of hon. members.

Mr. Ryan: Mr. Speaker, has the minister not been advised of a five-month study of 25 major durable categories which shows March intentions at the same level as November last?

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AGRICULTURE

POTATOES—ASSISTANCE TO PRINCE EDWARD ISLAND GROWERS

Mr. David MacDonald (Egmont): Mr. Speaker, my question is addressed to the Minister of Agriculture. In view of the very depressed condition of agriculture in Prince Edward Island and the recent submission by the provincial Minister of Agriculture, is he prepared to indicate what forms of assistance will be forthcoming, particularly to the potato growers as they face the heavy expenses of buying fertilizer and seed?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we had a very useful meeting with the Ministers of

Agriculture from both P.E.I. and New Brunswick about a week ago. While there are some difficulties with the proposal they made, I should like to advise the hon. member that at the present time the market price for potatoes from P.E.I. is at its highest level this year.

Mr. MacDonald (Egmont): Mr. Speaker, since the time is running very short, could the minister indicate whether the federal government is prepared to give any assistance, as it has in the past, because of the very long-term low prices which have been suffered and the very few people who have any stocks of potatoes remaining that can be marketed?

Mr. Olson: Mr. Speaker, the discussions which were initiated with the meeting that started last week are continuing.

[*Translation*]

POLICY RESPECTING SUPPORT PRICE OF WOOL

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a supplementary question to the Minister of Agriculture with regard to the price of wool.

Will the policy concerning the support price of wool for 1971-72 be announced shortly? If so, will the minister take into account the fact that the support price for wool is 72 cents in the United States, and will he recommend a significant increase in the support price so that wool producers may have a higher income?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, as I answered a few moments ago, the support price for the 1970 crop has been announced and cheques have been issued. In fact, the Wool Growers Association has asked to have discussions with me respecting this year's crop.

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INCOME SECURITY

CABINET REVIEW OF WHITE PAPER IN LIGHT OF OBJECTIONS—STATEMENT AS TO CHANGES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of National Health and Welfare. In view of the fact that the government has made a decision that family allowances will not be increased in September, and in view of the many objections by the National Council on Welfare to some of the proposals set out in the white paper on income security, is it the intention of the government to review the white paper in cabinet? If so, will he be able to advise on motions in the near future what the changes will be?

Hon. John C. Munro (Minister of National Health and Welfare): Yes, Mr. Speaker. As I indicated previously and I do so again today, we have as a government various proposals under consideration in respect of changes in the family income security plan. When we have made a decision as to what those changes will be, I will make the announcement in the House and all members will be aware of it.

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[*Translation*]

OFFICIAL LANGUAGES ACT

ESTABLISHMENT OF BILINGUAL DISTRICTS—DISCUSSION WITH ONTARIO AUTHORITIES

Mr. Gaétan-J. Serré (Nickel Belt): Mr. Speaker, I should like to put a question to the Secretary of State.

Following a recent statement by the premier of Ontario to the effect that his government might provide certain bilingual services, but that he saw no need to establish bilingual districts, could the minister tell the House whether he has initiated discussions with the province of Ontario to get it to further co-operate in this respect?

Hon. Gérard Pelletier (Secretary of State): Not for the moment, Mr. Speaker.

* * *

[*English*]

FILMS

POLICY RESPECTING NATIONAL FILM BOARD AND CANADIAN FILM DEVELOPMENT CORPORATION

Mr. J. P. Nowlan (Annapolis Valley): My question is directed to the Secretary of State. Since almost a year has gone by, is the government getting any closer to a film policy for both the National Film Board and the Canadian Film Development Corporation that he spoke about when he last appeared before the committee?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Part of this policy has already been enforced through actions which are known to everybody. As far as the rest of the whole policy is concerned, we are getting "closer", to use the hon. member's words.

[*English*]

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

Mr. Speaker: Perhaps the House will allow the hon. member a supplementary question, but may I draw the attention of hon. members to the fact that the question period has expired. I ask the hon. member, therefore, to put his question briefly.

Mr. Nowlan: It is a short question, Mr. Speaker, which I will ask quickly. Does the minister contemplate any legislative changes and any further announcements of National Film Board policy along the lines of any content or quota regulations?

[*Translation*]

Mr. Pelletier: Mr. Speaker, legislative action will be forthcoming, but not during this session.

As far as the quota system and a whole variety of similar measures are concerned, these questions will be considered; measures are being studied but a final choice is yet to be made.

[*English*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I should like to ask the government House leader whether he can indicate the business of the House for the rest of this week? In doing so, would he indicate whether one or two days will be set aside for opposition days next week to permit the hon. member for Trinity and his Quebec lieutenant, the hon. member for Duvernay, to amplify their views on the economic policies of the government?

Mr. MacEachen: Mr. Speaker, today we will continue with the advance payments legislation and the grain stabilization bill and the Wheat Board bill. Then, we will go on with the government organization bill, the Post Office Act, the Judges Act and the Pilotage Act. On Tuesday and Wednesday of next week, we will call opposition days to give many hon. members the opportunity to praise the government.

Mr. Baldwin: It is a good thing they are not under oath.

Mr. MacEachen: Next Thursday, we will probably call the resolution establishing the Committee on Public Order.

• (3:20 p.m.)

GOVERNMENT ORDERS

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENTS RESPECTING RATE PER BUSHEL, EMERGENCY PAYMENTS, EXTENSION OF APPLICATION TO RYE, FLAXSEED AND RAPESEED

The House resumed, from Wednesday, May 5, consideration of the motion of Mr. Lang that Bill C-239, to amend the Prairie Grain Advance Payments Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Stan Schumacher (Palliser): At six o'clock last evening I was discussing this bill with particular reference to the handling of rapeseed because, of course, this bill would bring rapeseed under the provisions of the advance payments legislation. I pointed out to the House, and to the minister, that the government intervention in respect of rapeseed is having a bad effect and that this is very important because of the success of the rapeseed crop in western Canada over the past few years.

I gave an example of government interference in this industry and said that, even though the Wheat Board presently has no jurisdiction over that crop, the government has expressed its intention to amend the Canadian Wheat Board Act to include rapeseed under the act. In fact, at present people who, according to the government, have delivered too much rapeseed are suffering from interference with their permit books. I mentioned that I made a request of the Canadian Wheat Board for information as to the basis on which they exercised their jurisdiction over permit books relating to rapeseed. I said that over the past month or so I have been unable to get a reply.

In general, I think that the proposal of the government to bring rapeseed under the jurisdiction of the Wheat Board through this legislation is ill advised because over the past few years, as the hon. member for Dauphin (Mr. Ritchie) said, this has been a cinderella crop. It has done very well on its own. I do not think that this type of legislation or any other should be brought in which might have an adverse effect on the industry, as I believe this bill will. So, in order to give the minister a chance to reconsider his position in this matter, I would like to move:

That this bill be not now read a second time but that it be read a second time this day six months hence.

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

Mr. A. C. Cadieu (Meadow Lake): In taking part in this debate, my memory goes back to the time some years ago when this very important measure was brought in by the Diefenbaker government, after the subject matter had been kicked around for many years prior to that. In view of the way in which the present government drafted the bill for the grain act, one wonders what this bill means and what is the intention of the government in tampering with the original act. People in western Canada do not trust this government, and they think that this legislation might lead to the scrapping of the original act altogether.

Last night I was reading some of the speeches that were made by members of the opposition when this Act was first introduced. At that time hon. members were saying that the bill was impossible. One of them went so far as to say that the Wheat Board would resign. Hon. members have remarked on how quickly this measure became law, and how much it has meant to western Canada. The legislation is of great importance to the farmers and the producers. When one goes back through the years, one realizes what it has really meant to businessmen and to people from all walks of life, to machine companies and to people in business in all parts of Canada, because it made it possible for the farmer to meet some of his obligations.

At the time the act was originally brought in, I was a municipal official. I saw what this legislation meant to the rural communities, municipal councils and school districts because it gave people a little money to pay a portion of their taxes, which would allow the municipalities and schools to keep functioning. This is one of the reasons that I think we should be very cautious. There might be room for improvement. The bill contains provisions with regard to the interest rate and that is why I think we should go into this cautiously. We must keep in mind what this act has really meant in the past years, and the money that it put into circulation. The small amount of money that is still outstanding today gives one some idea of the value of this bill. The original act was passed in 1957.

At that time the country was just about in the same mess as it is getting into today. Western Canada had almost an identical mess to that facing it today. But during the few years when we had a government that got out and did something about selling, the situation was resolved, and we can see that by the difference in the amounts used for loans on farm stored grains. That amount has increased since the present government took office, and in fact jumped sharply in the years 1967, 1968 and 1969. In fact it has almost tripled, indicating the great need of producers.

The original act was one of the first pieces of legislation introduced by the Conservative government. It was passed in November or December of that year, and at once became very useful to the farmers. We must consider the proposed amendments carefully because of the value of the legislation. I hope the government has given careful study to them, but I wonder when I see a clause in the bill dealing with interest rates.

True enough, Mr. Speaker, some people took advantage of the fact that interest-free money could be obtained under the terms of the legislation, but they made up only a small percentage of the farming population. Prior to the introduction of that legislation, people had to go to the banks to get loans on their farm-stored grain. They almost had to sign their lives away in order to get a bank loan. They had to pay interest on those loans, and they had to have a certain amount of assets before they could get loans no matter how much grain they had in storage. As a result, many people appreciated the introduction of the legislation. I remember seeing people coming out of banks after applying for loans, with documents that they had to have signed and with affidavits that they had to have attested. We would not like that situation to return. As I say, we must look at the proposed amendments and proceed cautiously, Mr. Speaker.

Hon. members who represent constituencies in western Canada know that farmers are really confused. Right now when they should have some idea of what they are going to seed they simply do not have a clue what to seed. The Lift program, instituted last year by the government, created too much confusion and did little, if any, good. This year people are still confused. Up in the northern part of Saskatchewan where I live there is a feed shortage this year. There is a shortage of barley and oats. It is a mixed farming country, and following encouragement by the government and the introduction of the Lift program, many acres were put into summer fallow that otherwise would have been seeded with barley and oats. If people had not turned those acres into summer fallow at least they would have their own feed, and right now there is a good market for barley but they have none to sell.

I would like to show you my file of complaints with respect to the Lift program, Mr. Speaker. People did not understand that program. I do not really think the government, and in particular the minister, understood it either. It has created terrible confusion in western Canada. I can show you complaints that I have received from young people who would like to enter dairying but they cannot get a dairy quota. It used to be the case that if young people had an old cow and a cream can they could get a start in the industry, but they cannot do that any more. I believe the government's policies are directed to getting farmers off the land.

The other day I was at a meeting of farmers and heard one gentleman ask those present, "Do you realize every second one of you will soon be off the land?" People were looking around at their neighbours trying to decide which ones would be leaving next. That is the case in western Canada in the dairy industry. The present mess in the hog industry has never been equalled. Then there is also discontinuance of the PFAA to consider, and the thing that worries me so much is that it will be a long while before many farmers can get crop insurance. PFAA kept many small farmers on their land, but that will no longer be the case.

There is confusion in western Canada today in all sectors of agriculture, and the worst confusion I have seen has been caused by Bill C-176. I think both ministers who are sitting opposite should go out to western Canada and see the situation for themselves. I do not profess to be always right. I like to study the different bills proposed by the government because I think that is our job. But, Mr. Speaker, just the other day I attended a meeting of 350 farmers engaged in livestock and mixed farming, and I did not find one single person there who supported Bill C-176.

Mr. Paproski: You won't either.

Mr. Speaker: Order, please. I am following the hon. member's speech with much interest. It is obviously a sincere and well prepared speech, but I should advise the hon. member not to stray too far from the bill which is now before the House. I would hope that at this time we would not get involved in a discussion on Bill C-176. There will be other opportunities to consider that piece of legislation. At the moment, hon. members should relate their contributions to the bill which is before the House and not get involved in debate on Bill C-176.

Mr. Cadieu: Thank you, Mr. Speaker. I realize that, but I would like to point out that it is a part of the government's program. It all fits in, just like a glove, but I will abide by your ruling. Surely this government knows the problems that their agricultural legislation create for western Canada. When you look at the whole plan it is just one problem after another.

• (3:30 p.m.)

I listened to a former cabinet minister speak over the radio only last Sunday. Although he did not refer to this bill, the hon. member for Duvernay (Mr. Kierans) exposed this government's lack of organization. I should like also to mention a bulletin from the Canada Department of Agriculture which arrived in my office today.

The subject is "Farmers Borrow Less From FCC" and in part it reads:

> The largest portion of the loan decline is reflected in the amount borrowed to purchase land. Reasons for this are seen as (1) the unwillingness of some farmers to expand their business during a period of uncertainty in the agricultural industry, and (2) lack of opportunity in the economy for low-income farmers to find satisfactory alternatives for earning a living and thus a reluctance to sell their properties.

This gives some idea of the position in western Canada. I think that there are other bills and legislation which would be far more important to western farmers than the amendment to this particular bill. The government should let the farmers know what they should be seeding in order to give them an opportunity to try and clear up the mess they got into with their barley and oats acreage. The government encouraged the farmers to diversity and now there is no sale for their crops. These matters should be looked into without further delay. This act was put through the House some years ago by a Conservative government and it won acclaim throughout the country. It has kept farmers on the land who could otherwise have been squeezed off by an earlier Liberal Government.

Mr. Craig Stewart (Marquette): In speaking on this legislation to amend the Prairie Grain Advance Payments Act, I want to stress at the beginning that I agree with the principle of cash advances for farmers. We all know that this legislation was introduced by a Conservative government. However, there are several provisions that I do not agree with in this bill, and I should like to point them out to the minister.

Under the bill, the government can set the rates for cash advances at any time by order in council. We all know that under the old act the rates for cash advances were $1 per bushel for wheat, 40 cents per bushel for oats and 70 cents per bushel for barley. Under this bill, with the government setting the rates by order in council, the farmer cannot plan his finances at the start of each season. He is not sure of the marketing prospects nor of how much cash will be available to get the crops harvested. The way grain prices have been going down, the rate of the cash advance will soon be higher than the sale price of the grain and I think this is why the government has changed the rates.

I am also against changes in the interest rates proposed by this legislation. Under the old act, past due interest was set at 6 per cent but under this bill the interest will be set at the going rate. I am afraid the same thing will happen as happened under the Farm Improvement Loans Act and the Farm Credit Act when interest rates went from 5 per cent to over 8 per cent at one time. The government can, if it likes, set the interest from the date of the loan. I do not like this as it is going to be particularly detrimental to small farmers and farmers who have been forced to sell their grain to feed lots. This winter farmers in Manitoba were able to sell barley to feed lots for approximately 85 cents to 90 cents per bushel, but if they delivered to the elevator they only got 75 cents or 76 cents. They will not be able to take advantage of this type of market in future because, if the government cares to do so, it can predate interest to the day the farmer makes the loan. This will certainly discourage him for selling grain to feed lots. What it amounts to, Mr. Speaker, is that the government is turning the cash advances into a demand not through this legislation. In many ways it is another step by this government to destroy the family farm operation as we know it. Much of the legislation is directed toward this end.

Let us look at the record of the government pertaining to agriculture and the legislation they have brought forth in the past year which, in some respects, ties in with the legislation before us. Operation Lift is an example. Last week I was talking to a farmer who ably described this program when he said, "Another Lift and I will be off the farm." There were changes in the Crop Insurance Act and coming before Parliament shortly is the grain stabilization program which should be carefully scrutinized by all members. There was also the Canada Grain Act. We were told that the purpose of this measure was to increase markets by bringing in the new grading system for grain based on the protein content. When the bill came before the House and the Agriculture Committee, we found that the legislation was designed to try to phase out country elevators.

Then, there is the marketing bill, C-176. From the number of coupons and correspondence I have received, it is obvious that few farmers support this bill. Just last Wednesday I received a call from farmers in Gladstone, Manitoba, inviting me to speak at a meeting this past Monday in order to explain Bill C-176. There were 350 farmers at the meeting and after two hours of discussion and questions on the legislation, the chairman called for a vote from the floor to determine support for this legislation. Not one farmer rose in support of Bill C-176 but over 300 opposed it. This certainly illustrates the farmers' reaction to this legislation.

An hon. Member: Or your explanation.

Mr. Stewart (Marquette): There was not a Liberal member from the west who would go out there and explain it to them. Changes are also proposed to the Wheat Board Act regarding rye, flax and rapeseed. You will notice, however, that none of these programs, including the bill before us today, gets down to the real problem facing agriculture and that is, aggressive marketing.

Some hon. Members: Hear, hear!

Mr. Stewart (Marquette): When the Prime Minister (Mr. Trudeau) asked in Winnipeg, "Why should I sell grain?", it indicated the attitude of the present government toward the western farmer.

Some hon. Members: Hear, hear!

Mr. Stewart (Marquette): Instead of the government coming out with negative programs, it is time they got some positive selling program for agriculture in western Canada. I say we should have aggressive selling and, as

an example, let us look at what happened last year. A little over one year ago, the world supply of wheat was approximately 3 billion bushels. Our supply of wheat in Canada, if we added what we had on farms, at the terminals and in elevators, was approximately 1.5 billion bushels, half the world's supply. Why did the government introduce a program to cut back on wheat production? We had half the world's available supply of wheat, yet we produce only in the neighbourhood 15 per cent of the world's production. Something is definitely wrong with our selling program.

• (3:40 p.m.)

Mr. Horner: Hear, hear!

Mr. Stewart (Marquette): Look at the feed market, Mr. Speaker. A little over one year ago our share of the market was down to around 2 per cent of the total world market. We saw barley prices drop approximately between 20 and 23 cents in one day. The price of barley dropped so low that, to get back into the market, the government started selling our grain at fire sale prices. To fulfil our export commitments this spring, the government had to raise the price by ten cents a bushel because farmers could not afford to deliver barley to elevators. They were farther ahead selling it to feed mills for 85 cents a bushel, which was far more than they would have received at the elevator, even if they included their final payments.

While we are talking about marketing may I ask, what do we do, for example, with regard to the beef market in Japan? I understand that beef in Japan sold for as much as $5 or $6 a pound retail. Is there no way that we can enter this market and sell for $2.00 a pound to develop this market? No mention has been made of this.

I became alarmed last October, on reading the monthly economic report of the Department of Agriculture, to learn the Minister of Agriculture (Mr. Olson) had announced that Canada had become a net importer of agricultural products. We are supposed to be an agricultural producing nation, and the minister made a statement like that. At the same time, the government has told many farmers in western Canada not to grow grain and to try to diversify. Instead of bringing forward legislation like this, which is to amend the Prairie Grain Advance Payments Act, the government ought to be telling farmers well in advance of seeding what crops they ought to grow and what their market expectations are. More effort should be put into market research and giving the farmers some guidance. They should know in what direction they are heading. This government has not told our farmers the direction in which we are headed at present.

Another thing that has bothered me has been the Canadian Wheat Board. We all approve of the principle of the Canadian Wheat Board, yet how effective have they been in the last few years so far as marketing is concerned?

An hon. Member: There has been government interference in that area.

[Mr. Stewart (Marquette).]

Mr. Stewart (Marquette): Yes. I sent a questionnaire to every farmer in my riding. One of the questions was, "Are you pleased with the performance in the past year of the Canadian Wheat Board?" I was surprised that the majority said they were not. At one time every farmer in western Canada was well satisfied with the Canadian Wheat Board. At present, because of government interference and government policies, the hands of the Wheat Board have been almost tied, which has made it next to impossible for it to pursue aggressive selling programs. My main point is this: instead of bringing forward legislation like this dealing with cash advances—and we all realize that farmers must have operating capital, although in the past money and credit have been too easily available for farmers—the government should tackle the root of the problem and pursue aggressive marketing policies. The sooner the government realizes this, the sooner will the situation in western Canada be corrected.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, one particular aspect of this legislation has not been dealt with and I should like to cover it briefly. In this bill, as in other bills, we can see that the entire program of the minister in charge of the Canadian Wheat Board is aimed at reducing the amount of grain in commercial storage. How do those remarks apply to Bill C-239? If we are to reduce the grain in commercial storage to between 200 and 250 million bushels, as projected, that means automatically that more grain will be stored on farms. You cannot have it any other way. Farmers harvest grain only once a year, normally in the fall. In Alberta, rye is handled sometimes in July; yet, basically, grain is harvested in the fall, although some is harvested in the spring. Since all grain cannot be sold in the month in which it is harvested, some of it must be kept in storage. If the government is introducing a program to reduce the amount in commercial storage, it follows as night follows day that more must be stored on farms. If more grain is stored on farms, we must ascertain how this can best be done to the advantage of farmers. In other words, how will the farmers benefit most financially?

The minister said the old cash advances legislation was designed to encourage wheat production because it allowed a cash advance of $1 a bushel, interest free, on grain supposedly stored on the farm. The minister said that this was wrong, and the government thereafter allowed only 70 cents per bushel for barley and 40 cents a bushel on some other grains. He said, as reported at page 5491 of *Hansard*, that the prices are related, (a) to the initial price paid to the grain and, (b) to the amount of deliveries or expected deliveries of any particular commodity. Although the minister has said this, we are asked to pass legislation which says little except, "leave it to the governor in council". Under clause 7, the governor in council can determine what cash advances will be made for the various crops. They will determine when that amount is to be made available. In other words, in one month you might get a cash advance of $1, and in the next month you might get only 50 cents. In the month

after that, if the government does not want any grain, it may reduce the advance to as little as 25 cents, I suppose.

In my opinion, Bill C-239 ignores certain things, because there seems to be no relationship whatsoever between the amount you can draw as a cash advance, under the bill, and the real worth of the product. Under the old act, when it was originally introduced, you were given 50 cents a bushel on wheat, and you had to repay 50 per cent of that when the crop was sold. The final payment on the wheat was, on average, slightly better than $1 a bushel, depending on the variety of the grain, and that made sense. Even the worst grades, or the lowest grades, Nos. 5 and 6 of wheat, were covered at around 95 cents a bushel. Of course, for those who are not familiar with the way we grade our crops, the lowest grades usually involve grain which has been badly frozen or badly infected in some way or badly shrivelled through drought. Nevertheless, there was some logical way in which the farmer could repay his advance.

On June 2, when the Prime Minister (Mr. Trudeau) made his speech in Winnipeg, it was obvious what would happen. The government wanted to entice the small farmers into debt through its cash advances legislation.

An hon. Member: Which year was that?

Mr. Horner: In 1968, before the minister in charge of the Wheat Board was ever considered as the minister who would be in charge of cash advances legislation. When the minister came into the House on May 4 and explained with that right tone of voice why the cash advances legislation had been adjusted in the fall of 1968, he ought to have been honest and frank and told us the truth. He ought to have told us why the Prime Minister made that announcement on June 2, 1968, and why the government would amend the cash advance legislation by providing for lower repayment terms. There was no basis for this. There was no sound business practice followed in that legislation unless it was to drive the small farmer into debt.

• (3:50 p.m.)

I forgive every member for not being suspicious of the government when that legislation was debated on October 29 and 30, 1968. At that time we did not know that the object of the government was to drive the small farmer off the farm. That is the purpose and intent of every piece of legislation that has been submitted to this House. There has been a whole series of measures of that type.

Other hon. members have referred to Bill C-176, the marketing bill. I am not going to refer to it in detail. That bill establishes in perpetuity the large producers of commodities and prohibits small or new producers from getting into the business. The same applies with regard to this legislation.

In 1968, the government enticed the small farmer into borrowing more money than he could possibly repay. At that time, some of us warned the minister that it was mathematically impossible for the farmer to repay within a given crop year what the government was prepared to lend him. The minister realized the folly of his legislation and stated after one or two days debate that if the farmer could not repay his indebtedness at the end of the crop year, he would be allowed to carry that amount over to the next year.

What does Bill C-239 do? It bangs the door shut on those poor farmers who have been sucked into debt. The interest rate is going to be increased. Under the old bill, the interest rate for cash advances was 6 per cent. The standard rate for all farm legislation is now 7½ per cent. The going rate of interest will now apply to cash advances for farmers. Cash advance legislation was always interest free until the wheat board called upon a farmer to deliver the grain. If he could not deliver, interest would apply from that day forward. This legislation goes further than that. Under clause 6 of the bill, the Governor in Council has the power to backdate the interest to the date the loan was originally taken out, if it is so decided.

I wish to reduce this to practical terms so that all hon. members will clearly understand what I am saying. For example, if I were a farmer who produced a lot of barley and could not sell it because I had no way of getting it to the elevator, either because of the roads being blocked or for some other reason, I would take a cash advance. If a feed dealer or feed lot operator came along, I could sell him my barley. He would pay more than the elevator would pay. Later on, the wheat board would call on me to deliver this barley. If I had recieved the cash advance and could not deliver, the wheat board would ask me to pay up. No only would I have to repay the loan, but I could be charged interest from the time I took out the loan, even though at the time I took out the loan my intention was to sell the barley to the wheat board.

The minister in charge of the wheat board, much to his amazement and the amazement of the Wheat Board, knew that the initial price of barley was too low this fall. The Wheat Board were not getting any barley. It was moving to the feed lots and feed mills. It was being sold in any way it could be sold at a higher price than the Wheat Board was prepared to pay, particularly the initial price. What did the minister do? He turned aside barley sales. We in Canada, with our ability to produce, actually turned aside barley sales. I notice that the minister is paying close attention to what I am saying. He is not disputing the fact that we have actually turned aside barley sales. He is nodding his head in the affirmative. We turned aside barley sales because the price was too low.

Mr. Deputy Speaker: Order, please. The minister is rising on a point of order.

Mr. Lang: It is actually a question of privilege, Mr. Speaker. The implication of the hon. member is that I am either agreeing or not agreeing. For future guidance I say to him that when he says anything right, I will say so. In that way, I will not have to speak very often.

Mr. Horner: I guess that was just a smart remark, Mr. Speaker. I did not get that point of order or question of

privilege. The minister is going to inform me when I am right. When I am not right, I guess he will not inform me.

Mr. Lang: You can assume that.

Mr. Horner: I did not catch that last remark. It probably is not a point of order either.

Mr. Boulanger: Keep going; you are doing well.

Mr. Horner: I have the advice of the assistant government whip that I can speak. I am glad that he is making the decisions for Your Honour.

Mr. Boulanger: Keep going.

Mr. Horner: More advice.

Mr. Deputy Speaker: Order, please. The hon. member for Crowfoot has the floor.

Mr. Horner: Thank you, Mr. Speaker. With these interruptions, one does not really know whether to keep going or not. I want to point out that the government realized the price of barley was too low. In order to get barley delivered to the elevators, they had to increase the price by 10 cents a bushel.

Bill C-239 does not disclose what will be paid to the farmers on delivery. At the end of the crop year, July 31, the government will disclose how much is available under cash advances. In my opinion, that does not lend too much assistance to the farmers. I want to point out what the minister said about this bill, as recorded at page 5491 of *Hansard*. I quote:

> The bill before the House to amend the Prairie Grain Advance Payments Act is a further step in attempting to rationalize and improve the situation of the grains industry of this country.

The minister admitted that this is a further step to rationalize and improve the grain industry in this country. It is another program. The question we must ask ourselves is whether it is helping. Does it help the farmer or the government? In my opinion, it does not help the farmer. That must be made abundantly clear in this debate. Up until this time, the farmer knew on May 1 what to plant and there was some guidance available. He knew that if he had a surplus, he could get a cash advance of $1 a bushel for wheat, 70 cents a bushel for barley or 40 cents a bushel for oats. What does he know now? He knows absolutely nothing under this legislation. Is that helping the farmer to rationalize grain production on his farm? It is not. It is helping the government, because it is bailing the government out of a commitment it made some time ago. When we analyze this bill, we find that it guarantees the farmer no advances. However, the interest rate on any advance they take, may go up.

• (4:00 p.m.)

An hon. Member: Will go up.

Mr. Horner: My hon. friend says it will go up. I hate to say it, but he is right. It is a sure bet that under this government interest rates will go up. The Minister of Agriculture (Mr. Olson) was formerly a member of the Social Credit party. In those days he used to go across the country saying that an interest rate of 2 per cent was high enough, that the banks did not need any more than that; this was what it cost to distribute money. Now, he is part and parcel of an establishment which increases interest rates. He could not remain in the Social Credit party and advocate increased interest rates. Indeed, I do not know whether he will be able to remain for very much longer in the Liberal party, either, taking into account his negative ideas on marketing. He believes that if he controls the supply sufficiently there will be a market for a product, rather than going out and searching for markets. As one of my hon. friends suggests, he will probably go down in history as the coupon king. His legislation outdid Benson and the white paper, and that is a fair strike—a couple of months ago I would have thought it was impossible.

Let us get back to Bill C-239 and what it really means to the farmers. As I said when I began, the minister in charge of the Wheat Board has based his whole approach on an attempt to rationalize and improve the grain industry—I quote his words again. In his attempts to do so he has published papers and articles to the effect that we must eventually reduce the amount of grain in commercial storage. He hopes to get it down to 200 million bushels by 1972. What does this mean? It means there will be increased storage on farms, and less cash in the hands of farmers. We have made great sales this year. I am proud of Canada as a producer for making such great sales.

An hon. Member: You just said something right.

Mr. Horner: The beaver over there is flapping its tail. We have made great sales as a country and I am proud of that. But it has not registered with the farmers. Try telling farmers in western Canada: Wheat is moving well; we have exported millions of bushels this last month. The farmer scratches his head and says: I have not seen it move off my farm. Why is it still there? It is there because the grain has been moving out of commercial storage and the storage space has not been filled again. There is room for at least 100 million bushels in elevators at the terminal. At the height of the difficulties in Vancouver last month, the elevators were less than half full and boats were waiting.

Why has the government deliberately kept elevators half empty? Is it in line with the program of attempting to rationalize and improve the situation in the grain industry? The minister in charge of the Wheat Board would quickly say yes to that. Even the Minister of Agriculture would say yes. But we should ask ourselves this question: For whose sake are they attempting to rationalize the grain situation?

Mr. Lang: For the farmer.

Mr. Olson: For the farmer. Get it on the record.

Mr. Horner: I got it that time. For the farmer. So they say. But does the farmer want increased interest rates

under this legislation? Did he ask that the interest rates in connection with cash advances should go up? Did he ask that the government be allowed to back date interest to the time the loan was taken out?

Mr. Lang: May I ask the hon. member a question? Does he appreciate that the bulk of farmers who take cash advances will continue to pay no interest at all? No interest is charged on almost the total range of cash advances.

Mr. Horner: I accept those words. But the minister has referred to the great bulk of farmers concerned. In effect, he admitted that what I have been saying is right. For the great bulk of farmers the loans will continue to be interest-free and interest rates will not affect them. But there are some farmers who will be obliged to pay higher interest rates. Who are they? Are they the big, prosperous farmers with lots of grain? No, it is the small farmer who has been sucked in by this legislation and driven into debt by the government. It is he who will be called upon to pay high interest rates, which is the point I was making before I was interrupted.

We are told the government intends to improve the situation in the grain industry. Improve it for whom? Not for the small farmer who is in difficulty, but for the government. This is one more piece of legislation which will bail them out and save them some money at the expense of getting rid of a few farmers. After all, they say, what do a few farmers matter? Send them into the city, put them on unemployment insurance, put them on welfare, re-educate them. Is this the quality of life we are seeking in our society? I do not think so. No one enjoys a better quality of life than the small, satisfied farmer. This bill is one more step toward driving the small farmer into oblivion. For the farmers this government is trying to eradicate, interest rates will go up. This is one piece of legislation along with three others which will assist the government in removing small farmers from the land. This is the issue. I have no hesitation about speaking on this piece of legislation because it is our duty to point out vividly that this government is basically a selfish government when it comes to agriculture. They are out to save money and to heck with the industry. They are out to restrict markets rather than enlarge them.

We know that Canada has enjoyed three or four great years in the last ten years when it comes to wheat sales. It was possible to take advantage of these orders because the grain was on hand. We made particularly big sales to Russia when that country suffered a crop failure. We made large sales because the government knew we had grain in commercial storage and made efforts to sell and deliver it. We did deliver 500 million bushels as a result of a Russian wheat sale some years ago. Under this program, we are going to encourage and go along with a rationalization program to reduce the amount of grain in commercial storage and the amount stored by farmers. As I pointed out the other night, we are down on barley sales because we do not know whether we can deliver it. We do not have it in commercial storage.

• (4:10 p.m.)

Today, I would rather the minister left than fall asleep as he did yesterday. In any event, it does not matter because I am talking to the minister in charge of the Wheat Board. He has the predominant influence upon the western economy. That minister has deliberately cut $150 from the amount farmers will receive as a result of his rationalization of the grain program. He has deliberately reduced the amount of grain in commercial storage. How will this bill affect that situation?

The farmers who have already received $90 million in advances are not given any guidance in this bill as to how they can pay back that money or how the provisions can be utilized. When this legislation was first introduced in 1957, the Liberal party opposed it. This measure has proved to be very satisfactory and workable. A former Prime Minister, the right hon. member for Prince Albert (Mr. Diefenbaker) was told when he introduced this measure that it would be unworkable. It worked successfully up until October 29, 1968, at which time the party now in power deliberately set out to ruin the small farmer and drive him into the cities.

A year ago $228 million was obtained from cash advance funds by prairie farmers. A great number of bushels of wheat has been sold since then, but the government has latched on the most of the money. The government latched on to $133 million. Most prairie points have a delivery quota of about five bushels per acre. I do not know the actual quota figures, but they used to be about 80 million bushels of wheat per one-bushel quota on the prairies. That was the rule-of-thumb in respect of elevator clearances. About $130 million, as a result of this ratio, was absorbed by the government between the crop year 1970-71.

Let us analyse this. The rule-of-thumb is 80 million bushels for a one-bushel quota. Surely, that does not justify the government absorbing $130 million. Farmers have been able to deliver up to a five-bushel quota. According to the old rule-of-thumb this would amount to a little over one-fifth of the farm income from wheat sales taken by the government. Surely that is not fair ball as far as the farmers are concerned. At the moment there is about $95 million owed by farmers as a result of cash advances. How will this bill affect that situation? A great proportion of this amount of money is outstanding. This bill suggests that the government can charge interest on this outstanding amount. I suggest it would only be a hard-hearted man who would suggest that the government charge interest on the total amount.

Perhaps the minister is right in suggesting that the bulk of farmers will not be charged interest, but the ones who will be charged are those who are most in need of help. What does this government suggest? Obviously, this government intends to take steps to force small farm operators to move into the city. That is apparently the aim of this government, and that is what this legislation will accomplish. The provisions of this bill represent one more step, in the words of the minister, in the attempt to rationalize and improve the situation of the grain indus-

try, to save the government money and, if necessary, to make grain farming more expensive. This is a wrong step to be taking at this time.

This piece of legislation does one other thing. It puts flax, rapeseed and rye under the provisions of the cash advance program. As a result of this bill the farmers producing rapeseed, flax and rye will be in a position to receive cash advances. In 1968 I argued for this principle. I suggested that rye should fall within the cash advance system. I suggested that cash advances should apply in respect of all crops developed under the diversification program. At that time the minister said this grain could not be taken under the provisions of the cash advance legislation because flax, rye and rapeseed did not fall within the jurisdiction of the Canadian Wheat Board. I did not accept that logic or rationalization at that time and I do not accept it now.

The concept that flax, rye and rapeseed should be under the jurisdiction of the Wheat Board is wrong. I hasten to state that those people responsible for the marketing of rapeseed have done a tremendous job. Rapeseed is used by the vegetable oil producing industry. This Canadian crop is in competititon with other vegetable oil producing groups. Any commodity in Canada which faces such severe competition is deserving of assistance. Producers of rapeseed should be in a position to receive registered demands for this crop. Many farmers in my constituency have for years had a very dim view of the Grain Exchange. Rapeseed should be registered on the exchange in order that farmers in this country can know whether this is a good crop and the conditions under which it should be harvested. At this moment, they do not know the demand for this grain. They do not know when or at what price they should sell their crop.

Let me remind the minister in charge of the Canadian Wheat Board that Canadian barley was being sold last fall by the Wheat Board at 20 cents per bushel less than it should have been sold. Advance sales on the world market last fall were 20 cents higher per bushel than Canadian farmers were receiving. This was a result of a lack of instant registration of the demand for barley on world markets. Because of an increase in feed grain supplies throughout the world there is often an immediate problem in the United States, but so far as these grains are concerned this demand or lack of demand is not immediately registered. As I suggested, this deficiency resulted in Canadian barley being sold at 20 cents less per bushel last fall than the market price.

• (4:20 p.m.)

There is a fear in my mind. I have no axe to grind with the Grain Exchange or the Canadian Wheat Board, but I believe I have an axe to grind for the farmers. As legislators in this House, we must set up a mechanism so that the farmers will get as much as possible on the world market for the products they produce and are able to sell. I have the fear that in respect of a crop such as rapeseed, which is in such a competitive position with the other oilseed or other vegetable oil producing crops, the demand for the product will not register as vividly as it has. I have a fear that if it comes under the Canadian Wheat Board, this is what will happen. We may sell less rapeseed for less money than ever before. It is correct that we might be able to pool the sale price so that all farmers would receive an equal amount. However, the inclusion of rye, flax and rapeseed in Bill C-239 does not encourage the growing of these crops.

A rapeseed producer does not know how much a bushel he will receive for the rapeseed stored on his farm. He does not know how much he will receive as a cash advance. That is not mentioned in the bill. This rate is set by the Governor in Council who can change it from month to month. The same is true in respect of rye and flaxseed. Flaxseed is being used extensively. I believe flax has amazed the market by its ability to sell. Originally, is was used as a base for paint. Now, actually it is not used as much for that purpose but is used to a growing extent as an additive to feed.

Mr. Lang: That is the second thing you have said which is correct.

Mr. Horner: Bully for me. Put a mark on the wall. I have said two correct things according to the minister.

Mr. Olson: Only two things in 40 minutes.

Mr. Horner: Mr. Speaker, I believe the Minister of Agriculture (Mr. Olson) wishes to make a contribution.

Mr. Olson: I said you have contributed two things in 40 minutes.

Mr. Deputy Speaker: Order, please. I take it the debate would proceed more orderly if hon. members who wish to speak would rise in their places. Otherwise, the hon. member for Crowfoot has the floor.

Mr. Horner: Mr. Speaker, it is nice that the Minister of Agriculture would say I have said two things correctly in 40 minutes because the people in Canada, particularly in western Canada, do not believe a thing he says anymore. It does not matter, therefore, what he says. They do not think he could say one correct thing.

Mr. Boulanger: That is your opinion.

Mr. Horner: No, it is not my opinion. It is the opinion of his constituents and every farmer in western Canada.

Mr. Boulanger: That is not what they said during the election. They elected him to Parliament.

Mr. Horner: The assistant government whip who is interrupting should know there is no by-election in Assiniboia. I wonder why? They are afraid to call an election in Assiniboia.

An hon. Member: They cannot get a candidate.

Mr. Horner: Some member from Saskatchewan who should know better than you or I, Mr. Speaker, suggests they cannot even find a candidate in Assiniboia.

Mr. Boulanger: That is the old one you pulled yesterday.

Mr. Horner: I did not speak yesterday. The point I am attempting to make, Mr. Speaker, is that there is no advantage in including rye, flaxseed and rapeseed under this cash advance legislation unless the government is prepared to commit itself and say it will give half the value of the crop as a cash advance. This, of course, was what happened in 1957 when the cash advance legislation was first introduced. At that time it was stated absolutely that half the value would be advanced to a farmer interest free. If that principle were incorporated in this bill, without naming the amount of dollars available, then the bill might be piloted through this House with greater ease. The minister, however, has drafted a bill which will bail out the government and only bring harm to those farmers who are having a difficult time now. I regret very much that the two ministers in charge of the agriculture industry can sit in this House and be so hard and callous as to say the interest rate will go up in respect of a portion of the agricultural industry which they know needs help. I regret very much that anyone in charge of the agricultural industry could do such a thing to the farmers of Canada today.

Mr. Deputy Speaker: Order, please. The hon. member's time has expired. Is the House ready for the question?

Mr. Jack McIntosh (Swift Current-Maple Creek): No, Mr. Speaker.

Mr. Boulanger: Filibuster again.

Mr. McIntosh: Mr. Speaker, I am very pleased to support the amendment moved by the hon. member for Palliser (Mr. Schumacher) and seconded by the hon. member for Meadow Lake (Mr. Cadieu) to the effect that this bill be not read a second time but be read a second time this day six months hence. I am very pleased to support this amendment because of the very words spoken by the hon. member for Crowfoot. We on this side of the House challenge the government, and the two ministers in question today, to go to the Prime Minister and ask him to call an election within a period of six months. Then, they will find out what the farmers think about their agricultural policy.

Mr. Boulanger: That is why you are talking; you are going to an election.

Mr. McIntosh: We challenge the government to call an election because every day we wait we gain more votes from the farmers.

Mr. Boulanger: You are a politician and a small-time one, too. I thought you were a legislator but you are a small-time politician.

Mr. Deputy Speaker: Order, please. The Chair is having a little difficulty in following the hon. member who has the floor because of the interjections by the hon. member for Mercier. If the hon. member for Mercier wishes to contribute to the debate, he knows he should rise in his place. He is an experienced member.

Mr. Boulanger: Mr. Speaker, I rise on a point of order. I would like to contribute but when I hear members having fun in this manner I am so ashamed I do not think I will bother talking.

Mr. McIntosh: Is that a promise?

Mr. Boulanger: Yes.

Mr. McIntosh: Mr. Speaker, I am somewhat like you. I have difficulty trying to make my speech with interjections such as the hon. member has made. I certainly did not catch what the hon. member's point of order was. I missed something. Would he repeat what he said?

Mr. Boulanger: Later.

Mr. McIntosh: So long as you keep your promise; do not be like the Minister of Agriculture and break it. That is all I am worried about. I believe the Minister of Agriculture made a comment. I did not hear what he had to say. The last time he said that he did not listen to me. Would the minister repeat what he said?

Mr. Olson: I am listening.

Mr. McIntosh: At least I have an audience of one. The hon. member for Crowfoot issued a challenge to the government to go to the country on its agricultural policy to see what would happen. We can tell you beforehand what would happen. There are two ministers, sitting in this House who are supposed to be representing agriculture. The point has been made about the by-election in Assiniboia. I am sure many people across this country are wondering why it was not called at the time the other two by-elections were called. I am sure we guess correctly when we say the Prime Minister, because of the intervention of these two ministers, thinks it would be more desirable to call an election after they have an opportunity to give back the $100 million they think they will give back out of the $140 million they have taken from the farmers. The people of western Canada are not that gullible. They know what the government is doing and they know what it intends to do. We challenge the government to call that by-election in Assiniboia, and let them see what will happen to them.

• (4:30 p.m.)

Mr. Boulanger: I wish to rise on a point of order, Mr. Speaker. I wonder if the hon. member who has been speaking would want me to give him an answer about that by-election. I am ready to give it.

Mr. Deputy Speaker: Order, please.

Mr. McIntosh: Yes, I agree.

Mr. Deputy Speaker: Hon. members might well be interested in the answer which the hon. member for Mercier (Mr. Boulanger) wishes to give, but I have some doubt that the question of the by-election in Assiniboia is relevant to the bill. It may be related, but I doubt that it is within the confines of the bill. Having said that, I may point out that I am not critical of the hon. member for Swift Current-Maple Creek (Mr. McIntosh). He has developed his contribution to the debate or the bill with reference to the by-election, but I do not think we should debate the point of the by-election at this time.

Mr. McIntosh: Mr. Speaker, I could go on for quite some time trying to put your mind at ease as to the reason this by-election in Assiniboia was not called, but I disagree with your view the by-election has no bearing on what is being said at present. I would be quite prepared to let the assistant whip of the Liberal party rise at this time, and I would forgo my time in the House if he would announce the date of the by-election in Assiniboia. I am sure that farmers in western Canada are waiting for the opportunity to show—

Mr. Boulanger: Mr. Speaker, I rise on a point of order. First, my point of order is that we are at present debating Bill C-239, which means that the hon. member is not in order. The second point is that the hon. member should know we should try to show some respect for the family of the hon. member who died a few weeks ago. We should wait some time before calling a by-election to give time to the family of the deceased to think of something else than an election.

Mr. Horner: But it is three months.

Mr. Deputy Speaker: May I again ask hon. members not to enter into a debate about the by-election, about whether it may or may not be held or when it will be held. The hon. member for Swift Current-Maple Creek has the floor. His reference to the by-election is relevant in the sense that he wanted to develop reasons why the government may or may not have called it, but let him do so only in relation to the bill before the House.

Mr. McIntosh: My only concern is that my constituency borders on the constituency of Assiniboia. Because constituents there do not have a member representing their riding, they have written me dozens of letters about the problems they are having with the present government, asking me if I could do something. I do not mind doing it, but when the assistant whip of the Liberal party pleads for more time, as he did, because of the death of the member representing that area, I wonder why he did not apply the same reasoning with regard to one of my colleagues on this side of the House, the former hon. member for Lisgar. They only waited six weeks at that time.

Mr. Horner: And the former hon. member for Trois-Rivières.

[Mr. Deputy Speaker.]

Mr. McIntosh: I would forgo my time, Mr. Speaker, if the hon. member would get up and announce the date of the by-election in Assiniboia, otherwise I will continue.

The reason we are opposed to this bill is not that there are not some good parts in it, as I said yesterday. Most of my colleagues have spoken in favour of the bill to a certain degree. But my concern is that this bill, along with other agricultural legislation that this government is putting before the House, directly affects the small farmers of western Canada. I said yesterday that the basic premise behind this bill is to change the whole financial situation of small farmers in Canada. It will change it so that the loans small farmers have at present, which were promised interest free and which would be repaid in full if the government would only sell the product which they said they would sell, namely grain, would force farmers into bankruptcy. I say that based on what I understand has been the information given to the Prime Minister (Mr. Trudeau).

Of the 430,000 farmers in Canada, there are 200,000 who will have to leave their farms. I could say a lot about what will happen to those 200,000 farmers whom this government is forcing off farms. They will go to the cities; they will be placed on relief rolls, and they will take welfare. No consideration is given to these people. So far as this government is concerned, the faster they get off the farms the better. This bill is one method by which they are going to force farmers off smaller farms. They are trying to force 200,000 of them into bankruptcy. Under this legislation the money which the farmer owes the government will be recallable on demand. Any time the operator of a small farm can get a few dollars for operating expenses he will not be allowed to keep them. The government will demand that the loan be repaid immediately. As I said yesterday, anyone who has been in business knows that you cannot operate unless you have operating capital. The government will take the operating capital away from the farmer with a small farm. This is the whole intention behind Bill C-239.

Mr. Gibson: Would the hon. member permit a question?

Mr. McIntosh: What the hon. member knows about agriculture would fill a lot of books.

Mr. Gibson: I am not trying to be smart and I do not say I know much about the subject, but yesterday I had the benefit of hearing a farmer's group before the Committee on External Affairs. That group expressed great interest in the substance of this bill as a means of helping to marshall and plan marketing facilities for these farmers on small farms about whom the hon. member was speaking. Would he agree that there is some hope in that?

Mr. Ricard: To which bill is the hon. member referring?

Mr. Horner: We will be on that one next month.

Mr. McIntosh: I did not get the import of the hon. member's question. I accept his explanation that he is not trying to be facetious. Some hon. members over here asked to what group he was referring. Are they farmers, are they Canadians? He mentioned the External Affairs Committee? Are they a group of agricultural people from some other country?

Mr. Bell: Yes, Rumania.

Mr. Gibson: It was a farmers group.

Mr. McIntosh: Are they from eastern or from western Canada?

Mr. Gibson: All of Canada.

Mr. Boulanger: We call them Canadians over here.

Mr. McIntosh: Oh, no. The bill before us applies only to western Canada. Let the hon. member read the bill. It does not apply to Quebec, to Ontario or to any other place. That is why I asked the hon. member whether those farmers were from western Canada. I know that farmers in eastern Canada, particularly those hon. members from eastern Canada who are engaged in agriculture, do not understand the situation that exists in western Canada.

I will give hon. members an example of one of the complaints that we raise. I think the hon. member who put the question a moment ago will agree with me that these farmers have a genuine reason for protesting. If a group of farmers in Alberta ship a hundredweight of carrots to eastern Canada, they pay three times more for that shipment than if the same amount were shipped from Ontario to Alberta. I think hon. members would agree with me that that is not fair. These are some of the points that we are talking about. It is very difficult to get these points over to hon. members representing eastern agriculture because eastern and western agriculture are almost as different as day and night. It is difficult to get our point across. However, with two more members after the next election, it will be much easier for us.

Mr. Boulanger: I remember when you numbered 208. What did you do then?

• (4:40 p.m.)

Mr. McIntosh: I said that the government is trying to get 200,000 farmers off the farms. I do not know what they are going to do. This government says, "Come hell or high water those 200,000 farmers are going." I wish to say to the Liberal whip, and to the minister who is present, that if I read my mail correctly, particularly that which I received during the last ten years, I think I can truthfully say that those 200,000 farmers are saying, "Maybe we must go so far as the government is concerned, but there are too many Liberal politicians in Ottawa. There are at least two too many Liberals representing agriculture, and one as Prime Minister who is not interested in agriculture."

Mr. Olson: All these distortions will come back to haunt you.

Mr. McIntosh: In order to impress the acting whip for the Liberal party, I would like to quote a front page editorial which appeared in the Maple Creek *News* of April 28, which is not very long ago. I am sure the Minister of Agriculture (Mr. Olson) knows this area very well.

Mr. Olson: I also read the editorial.

Mr. McIntosh: You also read the editorial, but there are a lot of members here who did not. As an interesting aside, I want to tell the House that I understand the writer of the editorial has a Liberal background.

An hon. Member: It serves him right.

Mr. McIntosh: Yes, I think he realizes now that it serves him right. The heading on the editorial is, "Politicians Take Note." It reads:

> Even if at times citizens of the country may doubt whether or not a democratic system of government still does exist in Canada (when learning of passage of certain pieces of legislation) there can be little doubt that it does still exist in western Canada.
>
> On Saturday night of last week, when a meeting was held by the cattlemen of the district, it was obvious that this was a non-political meeting. The ranchers gathered because they had a common problem—Bill C-176.

I think the minister has read that bill too.

> The ranchers have been given assurance by Premier Thatcher of Saskatchewan that as long as he was the provincial premier there would be no marketing bill to affect the cattlemen unless they specifically asked for such a bill.

Mr. Olson: Hear, hear!

Mr. McIntosh: I continue:

> And while this was a noble gesture on the part of the provincial premier, it gives little consolation to the ranchers. For example, even without the marketing bill in Saskatchewan, if the province of Quebec, or any other province does have such a bill and restricts the movement of cattle into that province (unless allowed at a price set by that government) Saskatchewan cattle will not find a market in that province.
>
> However, democracy was apparent at the conclusion of the meeting, when without coercion, or compulsion of any kind, the majority of those in attendance at the meeting lined up at a table in the corner of the hall, to make a cash contribution to fight the bill in any way possible.
>
> It was noted by this writer that many of the people lined up at the table have been staunch supporters of the Liberal party for many years. Yet they contributed substantial amounts of money to fight legislation proposed by the very party for which they had voted. It showed to us that these people were prepared to pay for legislation they do (or do not) want.
>
> It made us wonder if these people that were making the contribution were trying to tell the federal Liberal party something—

It's impossible.

> —trying to tell them something that livestock men clear across Canada have been telling them. That they dislike legislation that is imposed against their wishes. Legislation that may destroy the agricultural industry in Canada, and will give state control to the marketing of all agricultural products.

That is exactly what we over here have been saying for months. The minister said that there was no sus-

tained opposition except from this side of the House, and that we have been misleading the agricultural industry. Will he now stand up and say there is no sustained opposition except from this side of the House? If he could see the coupons, letters and everything else that I have been getting, from a constituency next to his—

Mr. Deputy Speaker: Order. I know that the hon. member is going to lead into discussion of the bill before the House, but I respectfully draw his attention to the fact that the editorial which he quoted and his remarks have been related more to other legislation than the bill before the House at the present time.

Mr. Olson: Let us have a few relevant remarks.

Mr. McIntosh: You want me to stop when it hurts, but I will have lots of opportunity to get back at you, Mr. Minister, at the right time and with the right tactics, too. I realize, Mr. Speaker, that you have been very lenient but my remarks were necessary because of the interjections that were made.

I understand that a recent cabinet minister, the hon. member for Duvernay (Mr. Kierans), left his position because he was not satisfied with the advice that economists and other high priced help were giving the cabinet and the Prime Minister (Mr. Trudeau). I cannot understand why the two ministers representing Alberta and Saskatchewan do not do the same thing. The hon. member for Duvernay said that the cabinet advisers were second rate. I am quite sure that people engaged in agriculture in western Canada are convinced these two ministers from the west are not just second rate but fourth or fifth rate, so far as the advice they have been getting and so far as the advice that they have been giving the Prime Minister on agriculture is concerned.

I said that I think both these ministers are just puppets pulled by a string. I do not think for one moment that the Minister of Agriculture, coming from cattle country, believes what he is trying to put across to the people of Canada. I do not believe that the minister in charge of the Wheat Board actually believes what he is trying to tell the House. But these two ministers are compelled to do these things because a decision has been made by the Liberal party to introduce state control, call it whatever you wish, over agriculture in the rural areas of Canada.

An hon. Member: That's it.

Mr. McIntosh: Yes, and I can understand why some of the members of the NDP sitting to my left are going to support some of this legislation.

Mr. Olson: It was one of your own members who said that.

Mr. McIntosh: I could refer back to the situation a year ago with respect to Bill C-197. The only fear NDP members who come from western Canada have is that the government is going to out-socialize the NDP. This is regrettable, Mr. Speaker.

[Mr. McIntosh.]

Mr. Cliff Downey (Battle River): Mr. Speaker, I have great pleasure in supporting this amendment calling for a six months hoist because I believe that for the most part the cash advances system has worked very well in its present form. I see the primary purpose of this bill is to make collections by the government easier in the future. That is the whole gist of it. It will not really enhance the position of the producer so far as his ability to get cash advances is concerned. It is a government housekeeping measure, to make it easier for the government to collect and to squeeze the farmer a little tighter. For these reasons, I would like to see the bill delayed for six months so that we may get an indication from the producers whether or not they want to be squeezed in this manner.

Under the present system, cash advances cover wheat, oats and barley, and now it is proposed to include rapeseed, flaxseed and rye. This simply means that when a farmer takes various grains to the market place there will be a deduction made in respect of all of them. Prior to that he had an opportunity to deliver his wheat in repayment for his loan, but he could still sell his rapeseed or other grain for cash. Now, when he sells anything he will have to repay his loan immediately, which means that the credit being extended will be for a shorter period of time.

• (4:50 p.m.)

When I spoke on this bill yesterday I tried to impress on the minister the concern that everybody feels about the tight manner in which credit is strung across the farming belt. The farmers owe money to the banks and to the Farm Credit Corporation. Only this morning in committee the head of the Farm Credit Corporation told us that in the province of Alberta 26 per cent of the total loans are in arrears. This is a serious situation, Mr. Speaker.

An article which appeared in the Edmonton *Journal* of April 7 encouraged me to believe that the minister in charge of the Wheat Board was concerned about the plight of the farmers. In case some members are not aware of his genuine concern, I should like to read some excerpts from the article regarding the two price system for wheat which is to be introduced to help the western grain farmer. The article reads:

> Otto Lang, the minister responsible for the Canadian Wheat Board, made the recommendation himself to cabinet about two months ago when the government was discussing the final details of his new grains stabilization policy though he declines to acknowledge this.
>
> Mr. Lang, it was learned here, told his cabinet colleagues he was convinced the grain farmer needed his basic income supplemented and the best way to do this was through a two-price system that would increase and subsidize the domestic price of wheat.
>
> There was considerable opposition inside cabinet because of what a two-price system would do to the prices of such basic staples as bread and flour. Consumer Affairs Minister Ron Basford is reported to have been in the forefront of the opposition.

Still referring to the minister, the article continues:

> He told Southam News Services he had become convinced the farmer was getting a raw deal compared with other sectors of the economy.

It is evident from this article that the minister in charge of the Wheat Board is aware of the plight of the western farmer but he does not seem to be able to influence his colleagues in the cabinet. I say that in his position, if he is to remain honest, he should have the intestinal fortitude to do as two other members of the cabinet have done and disassociate himself from a group so callously indifferent to the needs of agriculture.

Some hon. Members: Hear, hear.

Mr. Downey: Both the ministers who are concerned with agriculture are presently in the House. At hearings of the Committee on Agriculture, it has been evident that their concern is for larger and more efficient agricultural units. We all know what it is like when farms get larger; one large four-wheel drive tractor replaces six old units. Fences have to be torn up and everything bulldozed down to make large fields. It seems we are going in this direction all the time. It raises problems of ecology. The fence lines are the habitat of birds and wildlife, the pheasant and the prairie chicken. I do not understand why fish and game associations are not more concerned about this. Surely, we need to look at the total picture in regard to ecology. The hunters who come in the fall and the tourists contribute to the small towns. This policy of consolidating farms into large units will do away with the things that attract them to the country regions. The tourist industry is one of our few remaining natural assets. The area I come from is well known for the goose, the prairie chicken and the pheasant and with the consolidation of farm units I see their natural habitat being destroyed.

If anything I say today, Mr. Speaker, fastens the attention of fish and game associations or hunting groups in Canada on this problem I shall be very happy. I feel they should be as concerned as the farmers with protecting these resources. We want our children to be able to hunt and enjoy this wonderful outdoor sport.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Canadian Pacific Railway—request by high school class for explanation of federal grant in light of net income; the hon. member for Moose Jaw (Mr. Skoberg)—Supply and Services—letting of contracts without competitive tendering.

[*Translation*]

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

[*English*]

PRIVATE MEMBERS' MOTIONS FOR PAPERS

INDIAN AFFAIRS

REQUEST FOR COPIES OF COMMUNICATIONS BETWEEN DR. BARBER AND NATIVE ORGANIZATIONS REGARDING CLAIMS AND TREATIES

Mr. Frank Howard (Skeena) moved:

That an order of the House do issue for copies of all correspondence, telegrams and other documents exchanged between Dr. Lloyd Barber and the native Indian peoples organizations across Canada regarding the matter of Indian land and treaty claims and aboriginal rights.

Mr. Gibson: Mr. Speaker, I rise on a point of order. This motion refers to Dr. Barber by name but there is no reference to any official capacity that he may have. I think it might be of benefit to the House if the motion could be amended so that we know what his position in the matter is. There is nothing to indicate that he is not acting as an ordinary citizen. What capacity does he have in relation to the House at this time? I say this in all sincerity.

The Acting Speaker (Mr. Richard): I am sure this is a matter for debate, and I am sure the information will be given to those who listen to the debate which is about to proceed. The hon. member for Skeena (Mr. Howard).

Is the House ready for the question?

Some hon. Members: Question.

The Acting Speaker (Mr. Richard): The hon. member for High Park (Mr. Deakon).

• (5:00 p.m.)

Mr. Howard (Skeena): Mr. Speaker, I was reluctant to rise to debate the question because of the lack of concern exhibited by the cabinet and the government about the proprieties of things involved here. The motion deals with correspondence relating to aboriginal treaty rights and claims of native Indian peoples. The Minister of Indian Affairs and Northern Development (Mr. Chrétien), within whose jurisdiction this matter falls, has not the courtesy even to attend the House. His parliamentary secretary is not here to deal with a matter of this fundamental importance. That ought to be noted in the record. This item ought not to be proceeded with until those hon. gentlemen who have the primary responsibility and governmental authority with respect to Indian affairs have the courtesy to come to this House and explain why, when this matter initially arose on October 4 of last year, the people responsible for Indian affairs refused to allow native Indian peoples to see the correspondence in question. Sir, we ought not to be asked to proceed in the light of this discourtesy on the part of the minister and the parliamentary secretary.

Mr. Gibson: Mr. Speaker, on that same point of order—

The Acting Speaker (Mr. Richard): Order, please. I am sure the hon. member appreciates that he was given the floor not on a point of order but to permit him to present his case.

Mr. Danson: Mr. Speaker, these remarks will probably also deal with the point of order that the hon. member for Hamilton-Wentworth (Mr. Gibson) tried to raise. May I point out that this notice of motion for the production of papers refers to Dr. Lloyd Barber, Chairman of the Indians Claims Commission, who was appointed by order in council PC 169-2405 and who reports directly to the Prime Minister. This matter is not in the hands of the Department of Indian Affairs and Northern Development. It concerns the office of the Prime Minister, whose repeated statements have indicated concern for our native peoples. I am advised that the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Buchanan) will be in the House because of his interest and concern in this matter. I, therefore, believe that the hon. member's point of order is incorrectly based.

The Acting Speaker (Mr. Richard): Order, please. The Chair is somewhat embarrassed, because there was no point of order in the first place. I thought that the hon. member for Skeena (Mr. Howard) was rising to explain why he had not risen initially to speak in the debate. Under the circumstances, I should like to see this debate proceed properly. Will the hon. member for Skeena indicate if he intends to speak on another point of order or if he intends to speak to the motion?

Mr. Howard (Skeena): Mr. Speaker, with all due respect, I realize that Your Honour has to make sure that debate in the House takes place in an orderly fashion, in accordance with the rules. That, I hope, will be the case. I raised my point of order because the Minister of Indian Affairs and Northern Development and his parliamentary secretary were not present in the House when this matter was called this afternoon. If you are insisting in our proceeding with the debate then, in the absence of those hon. gentlemen who seem to show no interest in the subject, I have no choice except to make a few comments.

Mr. Boulanger: Withdraw the motion.

Mr. Woolliams: Don't be ridiculous.

Mr. Roberts: On a point of order, Mr. Speaker; if I recollect correctly, and I was sitting near you, you had recognized the hon. member for High Park (Mr. Deakon) when the hon. member who has just spoken raised a point of order. I do not really see how, having given the floor to the hon. member for High Park, you can now give it to another speaker. I myself, would be happy to hear what the hon. member for High Park has to say on this matter.

The Acting Speaker (Mr. Richard): It is not difficult to answer the hon. member for York-Simcoe. I am sure hon. members of the House realize that they can bet even money on the hon. member for High Park speaking after the hon. member for Skeena has spoken, or vice versa. So, we are just playing games. However, since the hon. member for High Park indicates that he will cede the floor to the hon. member for Skeena, the hon. member for Skeena has the floor.

Mr. Howard (Skeena): Mr. Speaker, far be it from me to accept such graciousness from hon. gentlemen in the Liberal party who do not want to see this matter come to a vote and intend to talk it out in any event.

Some hon. Members: Oh, oh.

Mr. Howard (Skeena): On two occasions, first on March 11, 1970 and then—

The Acting Speaker (Mr. Richard): Order, please. Is the hon. member speaking to the motion now?

Mr. Boulanger: The hon. member wants to kill his own motion.

Mr. Howard (Skeena): Mr. Speaker, perhaps I am in error, but I thought you had recognized me for that purpose.

Mr. Deakon: On a point of order, Mr. Speaker, I have heard the hon. member for Skeena many times and always held him in high esteem. Before he makes remarks about other hon. members, I wish he would listen to what they have to say. He has not heard my speech. I would ask him to listen to any remarks I might make before making such comments.

Mr. Howard (Skeena): I did not think I was making comments about the anticipated speech of the hon. member for High Park. I was talking about the attitude of the Liberal party in general which has denied to certain people access to the documents in question. Members of that party have talked out, I think, eight other notices of motions for the production of papers on Thursdays and thus prevented those matters from coming to a vote. I made my remarks in that context. If the hon. member for High Park feels that he is part of that group called the Liberal party which denies certain people certain freedoms and rights, he will have to wear that hat and be content with it.

This particular hour for debating notices of motions for the production of papers was set aside, under our rules, in order that those notices of motions for production of papers which were objected to on Wednesdays, when no debate may be permitted, could be transferred to another part of the order paper, under "notices of motions (papers)", and debated and voted on. When the rules were changed, hon. members harboured a companion thought. It was thought that this hour would provide an opportunity for the exchange of views on such papers. We might learn why they cannot be produced and argue why they should be produced, and a vote might be taken. The government on many occasions has resorted to the subterfuge of using this mechanism within the rules to deny us the opportunity, in many instances, of talking about these matters, and to prevent a vote.

Mr. Woolliams: They changed the rules.

Mr. Howard (Skeena): I believe that on the order paper there are 69 notices of motion for the production of papers. Eight of these motions have been talked out up to now. As I say, we are looking at 69 such motions. The time available during the rest of this session for the discussion of these matters indicates that there will be little opportunity to discuss or debate these matters, let alone vote on them. Parliament will not be given an opportunity to express its opinion, through a vote, on whether certain documents should or should not be produced. That is tantamount to an abuse and misuse of the rules of procedure, and a denial of the spirit in which the rules were revised. That is why a debate of this kind is almost a futile exercise. Certainly, by its past activity the Liberal party has shown that it is not interested in debating these matters and certainly not interested in seeing them come to a vote in order that the opinion of the House may be tested. That applies particularly to the matter now before the House. All this indicates that the government treats with supersecrecy legitimate documents relating to information that is of extreme importance and value to the native Indian people.

• (5:10 p.m.)

If we look back at the reasons that were given for not acceding to the request in the first instance, we see that it is simply a matter of hiding information from the very people who will be greatly affected by this information and who will be helped if they have access to it. On March 11, 1970, I put forward a similar motion. If I am not mistaken, it was the then Parliamentary Secretary to the Prime Minister who said that the government could not agree to the tabling of the documents sought in the motion because, in the opinion of Mr. Barber, the Commissioner appointed under the Inquiries Act to look into these matters, it would not be in the best interests of the commission or the native Indian people for such documents or information to be disclosed to the Indian people. I suppose Dr. Barber, inasmuch as he is the commissioner, has the right to say that it is not in the best interest of the commission to have these documents disclosed, but it is very arrogant and overbearing for him to say that it is not in the interest of the native people to have the correspondence and documents made public.

I do not wish to get into a discussion about what I think of Dr. Barber as an individual. He distinguished himself by his absolute lack of concern for the rights of the native Indian people when on the Northwest Territories territorial council, at which time he gave no heed to the aboriginal rights of the natives of the Northwest Territories. It was presumptious on his part to say what was and what was not in the interest of the Indian people. That was the reason given by the parliamentary secretary on March 11 last, and reiterated on November 4 when this motion was transferred for debate at the request of the government.

Dr. Barber was appointed a commissioner under Part I of the Inquiries Act on December 19, 1969. I presume that he is a royal commissioner, not an Indian land claims commissioner. That title is not even used in the order in council. Royal commissions are appointed under Part I of the Inquiries Act to examine certain things. Dr. Barber was appointed to inquire into and consult with authorized representatives of the Indian people and to inquire into a couple of other matters. First, he was to inquire into the performance of the terms of treaties and agreements formally entered into by representatives of the Indians and the Crown, and second, the administration of moneys and lands pursuant to schemes established by legislation for the benefit of Indians. This is followed by authority to make a report and recommendations as to what should happen with respect to these two items which I enumerated.

In substance, Dr. Barber's terms of reference are twofold. They are to inquire into whether treaties have been lived up to and to inquire into the administration of moneys and lands established by law for the benefit of Indians. Excluded from his terms of reference are native Indian people who, by virtue of history, are not covered by any formal treaties or agreements. The aboriginal land claims and hereditary right claims of the native Indians of the province of Quebec are excluded from Dr. Barber's terms of reference. The commission has no authority to examine the native Indian people of the Northwest Territories and Eskimo people who have an underlying, undeniable hereditary claim to the land and resources, something which has never been extinguished. The bulk of the native Indian people in British Columbia are not covered by treaties. Their aboriginal and hereditary rights are excluded from Dr. Barber's examination.

It is worthwhile looking at the origin of the order in council that appointed Dr. Barber as a royal commissioner. It arose in part from the white paper on Indian affairs which was introduced in this House on June 25, 1969, by the Minister of Indian Affairs and Northern Development (Mr. Chrétien). There were a number of matters proposed, including the Indian claims commission. At that time there was a commitment to the native Indian people that none of the provisions in that white paper would be introduced or put into effect unless it was agreed to by the Indian people. This has been reiterated time and again.

One of the proposals related to the establishment of an Indian claims commission. The government has stated that this commission, of which Dr. Barber is the sole commissioner, is the Indian claims commission. If that is so, this is an abrogation of the commitment made to the Indian people that this would never happen unless the Indian people agreed. It is an imposition by the government on the native Indian people without any agreement or consultation. It is contrary to the stated declarations of the Minister of Indian Affairs and Northern Development on many occasions and the stated declaration of no less a personage than the esteemed right hon. Prime Minister (Mr. Trudeau).

Mr. Gibson: Will the hon. member permit a question?

Mr. Howard (Skeena): I will be pleased to answer a question, but I wonder if the hon. member will wait until I have concluded my remarks.

Mr. Burton: By then he will have forgotten what he wanted to ask.

Mr. Howard (Skeena): This motion seeks the exchange of correspondence between the native Indian people who have communicated with the royal commission about their hereditary and aboriginal rights, their treaty claims and the like. I am simply paraphrasing the motion. The reason for introducing the motion is not solely out of interest and concern on the part of members of our party. It is as a result of discussion with native Indian people. Naturally, we were not able to speak with every native person in Canada, but we did speak with a goodly number of leaders and chieftains. They would like to know the extent of correspondence with regard to their treaty rights and claims and aboriginal rights and claims.

Indians in one part of the country would like to know the trend of conversation and correspondence with regard to Indian people in another part. They would like to know what responses these people have received from Dr. Barber and the royal commission. They would like to see what, if anything, is happening to the claims which Indians in another part of the nation are proposing. There is the same general interest in treaty and aboriginal rights from one end of this land to the other, regardless of tribal affiliation. This is partly for information purposes. Hon. members know that bands or tribes of Indian people may not be thoroughly familiar or cognizant of the procedures to be followed. In many instances, they may not even recognize what may be classified as an aboriginal claim, even though they may have one. They may not recognize what it is or how to phrase it. They would receive guidance and assistance from seeing the correspondence which other Indian tribes, associations and other organizations have entered into with the royal commission. This is the reason for the introduction of the motion, to make this information public and available to the Indian people whose rights are being dealt with and considered. After all, it is they who will be affected by whatever recommendations the royal commission may make, and to the extent that they engage in these discussions they wish to do so in a full and complete manner.

• (5:20 p.m.)

The government itself is financing out of public funds what I believe is called a national committee on historic rights, or treaty rights, something of that sort. In any event, this is a committee of Indian people assisted by funds from the office of the Secretary of State (Mr. Pelletier) or the Privy Council, and research work into treaty rights, aboriginal rights and so forth is being undertaken by that committee in order that Indians will be in a better position to present arguments to governments with force and clarity. On the one hand, the government takes the view that it is helpful and valuable for us to use public moneys to make a grant to a committee of Indian people to do research work on historic rights and treaty rights, while on the other hand, in connection with a royal commission appointed to look into the self same thing, it denies Indians access to correspondence and information which might well be of value to them.

The opinion of Dr. Barber that it would not be in the interests of the Indian people to disclose this information is, to say the least, a presumption on his part. I do not think he should have the right to make such a finding or express such a determination, and even if he does, it seems to me the government should not accept such a position. Rather, it should take the view that the people who are in the best position to decide and determine where their best interest lies are the Indian people themselves.

We know that the Indian people *per se*, with the exception of the hon. member for Kamloops-Cariboo (Mr. Marchand) who is not at present in the chamber, are not able to attend the House and move such a motion as I have put forward. This can only be done by those who happen to get elected to this place. This is what we are trying to do to the best of our ability, to give expression to a request on the part of the Indian people that they be allowed access to these documents by moving an appropriate motion in the hope that it will be accepted by the government and that not even a hint of doubt will be expressed as to the right of Indians to obtain information about their own affairs. In other words, so that this will not be looked upon, as it is in some quarters and as I myself look upon it at the moment, as a deliberate attempt at secrecy, a deliberate attempt to circumvent the rights of Indians and deny to them rightful access to information which is of such importance to their well-being, particularly as far as treaty rights and aboriginal rights are concerned. Now, if the hon. member for Hamilton-Wentworth (Mr. Gibson) wishes to ask his question I shall attempt to answer it.

Mr. Gibson: I should like to ask the hon. member whether any process has been embarked upon, for example, by way of writ of *certiorari* to obtain the results he is seeking? It appears to me that the matter is now sub judice before the inquiry and that the hon. member is inviting what would amount to a further parliamentary inquiry at the same time as the commission is attempting to deal with this matter. Would the hon. member not agree that if, at the time the commissioner is trying to carry out his work, he is ordered by Parliament to do certain things it would become most difficult to deal with the question in a cohesive way? Would it not amount to unwarranted interference with the inquiry?

Mr. Howard (Skeena): In the first place, whether one might proceed by way of a writ of *certiorari* is beyond my knowledge. The hon. member for Hamilton-Wentworth (Mr. Gibson), who is learned in the law, will know that better than I. I am not able to say whether this procedure is available, indeed, I would not care to comment on this suggestion. I do know, however, that this royal commission is being financed by the taxpayers of Canada. The Indian people with whom I have spoken —and, naturally, I have not been able to speak with them all—feel they would like to have information with respect to the terms of reference, indeed, with respect to two matters which are of fundamental importance to

them, and I have proceeded on the basis of fundamental respect for the desire of people to know what is happening in connection with their affairs.

Mr. Walter Deakon (High Park): Mr. Speaker, I am sure the hon. member for Skeena (Mr. Howard) is well aware that all members of this House are just as concerned as he is about the welfare of the Indian and other native peoples. I will restrict my contribution to consideration of the claims of the aboriginal peoples for legal rights to land whether by treaty or by hereditary claim.

There are in Canada today approximately 450,000 people who are descendants of the aboriginal peoples who occupied this land before its discovery by Europeans. The law divides these groups into status Indians and non-status Indians and Eskimos. The status Indians, in turn, are divided into treaty Indians and non-treaty Indians and both of these groups are in turn divided into reserve Indians and non-reserve Indians. Historically, these people were divided into 11 linguistic groups and spoke at least 50 different languages. The settlements, reserves and bands are located in areas over the vast expanse of Canada. This is one of the reasons it is so difficult to get a true perspective of the place of Indians in Canada.

To consider the present objectively we must understand the past. The history of Indian relationships with the white man has not altered appreciably during the years, even with the emergence of new Indian leadership. The descendants of the aboriginal peoples are at least as concerned with the issues of treaty and aboriginal rights as were their predecessors.

Initially the Indians were friends and helpers of the white explorers who were small in number and unfamiliar with the land. As the land was colonized the Indians became restive because of the growing encroachments on their preserves. The Indians also assisted the white settlers in the fur and agricultural trades, but as settlements further advanced the more valuable lands held by the Indians were coveted and acquired by the whites. The Indians were therefore left with pockets of land frequently far distant from the rapidly settled and industrialized society.

Before the discovery of Canada, land was held communally; family ownership of certain resource areas existed within certain tribes, but land was not sold outside the tribal unit. The only method of obtaining land from others was by conquest. The concept of the sale of tribal lands by treaty or any other formal means to people outside the band or tribe was not within the native legal concept. This is a concept of European law, not a recognition of native law.

• (5:30 p.m.)

Undisputed possession and native concepts of land ownership were sufficiently developed in Canada that we must consider the legal aspect of aboriginal title. The native peoples did have clear possession and, therefore, at least a moral right; but legal right existed only in lands in settled occupation. The history of laws relating to Indians in North America, and their interpretation, shows the gradual extension of the new legal system and the parallel diminution of native rights based upon aboriginal occupation.

It has been submitted that aboriginal rights are part of international law, recognizing that territorial title is based on long and undisputed possession. This concept of aboriginal title and the adoption of it as a legal doctrine by the Privy Council leaves no question or doubt that it is part of Canadian law, although it may be that this concept does not apply to all parts of Canada, with all respect to the submission of the hon. member for Skeena. This leads us to examine the historical pattern of dealings with natives in this country. If aboriginal title has been extinguished where it existed, then we are in the right; but if it has not been extinguished we must, I submit, consider what legal claims, if any, can now be made by the native peoples.

I am sure hon. members on all sides of the House will agree that a solution to this problem must be reached soon and has long been overdue. For our treatment of the Indian population in Canada I do not believe we have any cause to be proud. Our native peoples are set aside from other citizens. The government for at least half a century has been encouraging Indians to leave their reserves. This movement has weakened the social and economic potential of reserve lands and now, because of this policy, the government is embarrassed by the backward nature and character of some of these peoples. The government finds itself in a paternalistic role. The Indians may be citizens of any particular province in which they may have settled, but they are also wards of the federal government; they are financially, economically and socially dependent upon the federal government.

The government found this role distasteful and realized that paternalism has not resolved the problem but has resulted only in heavy criticism of the government. The government would appreciate a change. On the other hand, Indian leaders are equivocal about change and have not a clear mandate from their people for such change. To them a change is frustrating and even threatening. The indians are striving to ascertain just who they actually are, and are looking for their true identity to the past.

A government study in 1967 made the following comment:

> It was the conclusion of the field workers that the question of treaty rights pervades the field of Indian/non-Indian relationships to such an extent that resolution of these differences is a precondition to acceptance by the Indian people of most programs for their benefit and advancement.
>
> The evidence from this survey, from that of the Hawthorne group, and others, suggests that treaty rights are increasing in importance as more Indian people become better organized and develop a more vocal approach to government.

A brief to the joint committee of the House of Commons and Senate on Indian Affairs in 1960, by the Indian-Eskimo Association, stated in part as follows:

> We know also that those Indians who, on one ground or another, mistrust the white man, tend to focus their bitterness on some treaty right, the alleged violation of which becomes a

rallying point for anti-white sentiment and agitation. For these Indians, therefore, a treaty becomes at once a sacred document of inviolable rights and a potent symbol of current wrongs.

During the consultations and discussions with Indian groups across the country by the Indian Affairs branch of the federal government in 1968-69 for purposes of discussing the Indian Act, it was significant that the Indian Act as such received little, if any, discussion, whereas on the other hand the Indian leaders in attendance constantly expressed their concern with treaty and aboriginal rights. The concern with treaty and aboriginal rights was eloquently put in sharp focus by Chief Dan George to a meeting of teachers on the west coast:

Let no one forget it, we are a people with special rights guaranteed us by promises and treaties. We do not beg for these rights, nor do we thank you. We do not thank you for them because we paid for them, and God help us, the price we paid was exorbitant. We paid for them with our culture, our dignity, our pride and self-respect. We paid, we paid and we paid until we became a beaten race, poverty-stricken and conquered.

The treaty and aboriginal rights issue is not just a legal matter but has an important emotional and symbolic value for the aboriginal peoples. In order to deal with Indian and Eskimo claims justly, we must keep this in mind. A very interesting and informative research documentation was made possible by a grant from the Harvie foundation, published under the title "Native rights in Canada". Mr. Speaker, I should like to quote from the chapter headed "The basis of native rights":

There are perhaps three general conceptualizations of the historical relations between Indians and whites in this country.

1) The Indian nations had full sovereignty over their territories. The land was unjustly taken from them by conquest, occupation and, in some cases, by blatantly unfair treaties. In its most colourful form, this general view produces assertions of continuing sovereign independence, and the Six Nations reserve in Ontario continues to try to have a case heard before the International Court of Justice in the Hague.

2) The Indians had legal claims to the land, though not full sovereignty or full ownership, which have ended except for reserve lands. The treaties extinguished these legal claims in a proper manner. Indian claims in the non-treaty areas were dealt with before confederation by the colonial governments. In British Columbia, the major non-treaty area where colonial policy was not fully settled at union, compensatory payments have been made in lieu of treaty payments.

This view begins with an assertion of legal rights in the Indians and attempts to fit that assertion to the historical facts in Canada.

3) The Indians had no political or property rights recognized by law. Treaties were made on occasion to avoid conflict and facilitate settlement. They serve that purpose and have no current significance.

The Prime Minister (Mr. Trudeau), in his 1969 Indian policy statement stated that the federal government would recognize treaty rights since he considered treaties as contracts, but would not recognize aboriginal rights. It was the Prime Minister's contention that it was inconceivable that there should be a treaty between subgroups in a given society. It is contended that treaties that do exist should be terminated, presumably by negotiation, so that the Indian people can become equal members of our Canadian society. The Prime Minister feels that aboriginal rights as described in the policy are too general and undefined to be considered specific claims and are something that the Prime Minister and his government are reluctant to guarantee. This is the main reason why the Commissioner of Claims is having great difficulty in justly dealing with and resolving the claims submitted to him for adjudication.

I should also like to draw attention to an article which appeared in the Montreal *Star* of Tuesday, April 27, 1971 under the heading "Indian rights 'incontestable'", with the sub-heading "Native land claims set Ottawa rethinking". This article verifies the situation at hand. It is my respectful submission that the issue of aboriginal rights has as great a significance, if not greater, to the Indians as does the French language to the French. This fact must be realized before any headway can be made. If the legal concept underlying the treaties is a recognition of aboriginal title, then there is a contradiction inherent in the government's position.

Under the circumstances, and because of the delicate nature of this matter, I respectfully submit that the motion presented should be defeated.

• (5:40 p.m.)

Mr. Robert Simpson (Churchill): Mr. Speaker, I wish to speak on the motion presented to the House by the hon. member for Skeena (Mr. Howard). In his motion the hon. member requests that the House issue copies of all correspondence, telegrams and other documents exchanged between Dr. Lloyd Barber and the native Indian peoples organizations across Canada. The hon. member outlined quite clearly the reason these documents should be made available to the native people. He also explained that the native people of Canada are widely spread geographically across this country and therefore are not always in a position to know from one group to another just what the thinking may be among themselves.

In recent months this difficulty has been eliminated to some extent by the formation of provincial Indian brotherhoods, and more recently by the formation of the National Indian Brotherhood with its head office in Ottawa. I believe we should support this motion very strongly because it is very necessary that all Indian groups should have access to the correspondence which has been directed to the Commissioner of Indian Claims and the replies these groups have received from the commissioner.

Spokesmen for the government have tried to indicate the interest of the government in the native people. The hon. member for High Park (Mr. Deakon) emphasized the fact that the Prime Minister (Mr. Trudeau) has indicated that he recognizes treaty rights. We hear this time and time again. This only makes us wonder, if the Prime Minister and the government are so emphatic about recognizing treaty rights, why some of the problems the Indian people have presented to the government over the years have not been brought to successful conclusion. I need mention only the hunting rights of the Indian people. Here we have the case of numerous Indian people who believed they had the opportunity to hunt at certain times and on certain lands and found that legislation or

treaties drawn up between the government of Canada and other nations precluded these rights which they had emphatically been lead to believe were theirs throughout the years.

In my contituency the native people have been brought before the courts on charges of hunting illegally. One such case was taken to the Supreme Court of Canada. In this particular case, unfortunately the Supreme Court of Canada, on a split decision, ruled that the Migratory Birds Convention Act superseded Indian treaties. The government might feel that for the time being this gets it off the hook. However, time and time again the Indian people and many members of this House, including myself, have requested that the government renegotiate the Migratory Birds Convention Act with the government of the United States.

If the Supreme Court of Canada in its wisdom feels the Migratory Birds Convention Act supersedes these treaties which the Prime Minister of our country says he recognizes, then I believe there is only one solution. The treaty made with the United States, which it is claimed supersedes Indian treaties, should be renegotiated. Four years have gone by and the government still indicates its intention to renegotiate this treaty.

Of course, there are many cases of land disputes in so far as the Indian people are concerned. The government claims it set up the commission headed by Dr. Lloyd Barber to look into the claims which Indian people feel they have. The Indian people have given considerable study to the government's white paper. They found they did not like it and asked the government not to implement it at that particular time. However, as the hon. member for Skeena has mentioned, the setting up of this claims commission has already abrogated the government's assurance that nothing would be done in relation to the white paper until the Indian people agreed to it.

Government members from time to time tell us of the extreme interest of the government in the problems of the Indian people. As I mentioned before, in recent years Indian groups have formed brotherhoods in the provinces. They reached agreement with the government in respect of financial grants in respect of the administrative costs of these organizations. I know that in Manitoba particularly, the Indian brotherhood and its staff are doing a tremendous job of liaison between the Indian people of the province and the federal government. But I am told grants pertaining to the past fiscal year should have been turned over to these organizations many months ago.

Last Thursday the Indian brotherhood offices in the province of Manitoba reached the stage where they would have been forced to suspend operations if the moneys promised several months ago were not forthcoming. The question was raised in the House and it is my understanding that the government has made provision for these moneys to go forward to Indian brotherhood offices, particularly those in Manitoba. I understand other provincial bodies have had the same difficulty.

In debating and possibly voting on the motion of the hon. member for Skeena we should ask why, with all the members in this House continually talking about their interest in the native people, we have to reach a showdown whereby we have a deadline in respect of keeping an office open because of the lack of money which should have been forthcoming from the government. The answer of the government at that time was that sufficient information was not presented to it in order to allow it to pay these grants. This was not the case in respect of the province of Manitoba. I understand that the Manitoba grant and others were held up, even though the information was available, because one or two organizations in other parts of Canada probably had not presented all the information the government required. Therefore, the Indian brotherhood offices which had presented all the pertinent information the government required for these grants were discriminated against.

• (5:50 p.m.)

The hon. member for High Park quoted the stirring words of Chief Dan George in relation to treaty rights. There is no doubt whatsoever that the Indian people do have treaty rights which are not being recognized. Therefore, I support the motion of the hon. member for Skeena and hope that this House will unanimously support it.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I am quite prepared to make in this chamber today the charge that the purpose of the appointment of the Barber Commission was to do a snow-job on the Indian people. In the absence of the production of the documents requested in the motion of the hon. member for Skeena (Mr. Howard), I challenge anyone in this House to disprove my statement.

Mr. Mahoney: Sit down and listen.

Mr. Barnett: This commission was appointed through a minute of the meeting of the committee of the Privy Council in December of 1969. Neither the members of this House nor any of the Indian people in Canada really know what, if anything, Dr. Barber has been doing since he was appointed commissioner under the Inquiries Act. The hon. member for Skeena interjected that very likely he does not even know himself. I can support that statement without any particular discredit to Dr. Barber, because if one considers the circumstances of his appointment it is obvious that it was impossible for him to do a worth-while job even if he had wanted to.

Why do I suggest that the purpose of this royal commission was to do a snow-job or to pull the wool over the eyes of the Indian people across the country? I do so for one very fundamental reason if for none other, namely, that this House has never recognized that the Indian people have any rights in this country. It has never admitted that the original inhabitants of this country have any rights which stem from the fact that they were here before our ancestors arrived here. This was confirmed not long ago in the House by the Minister of Indian Affairs and Northern Development (Mr. Chrétien) when he declared—and he stated it more than once—that all the lands in the Northwest Territories are held by the Crown, which means that the Eskimo people do not even

have squatters rights on the lands where their forefathers dwelt for hundreds of years.

On looking through some of the records of this House one finds that far from having given any recognition to the fact that the Indian people have basic rights, the reverse is true because the last recorded opinion of this chamber was in 1927 when the House rejected the proposition that the Indian people had any real rights. That decision has not yet been reversed, even though there have been debates in the House and attempts have been made to have Parliament make a declaration that such rights do exist.

I cannot for the life of me understand how anyone who has read the document entitled "Native rights in Canada," to which the hon. member for High Park (Mr. Deakon) referred in his speech, could say that what I am saying is not the basic truth. To appoint a commissioner with responsibility not to the Indian people but to the Governor in Council is by its very nature a rejection of the real rights of the Indian people.

Mr. Gibson: I rise on a point of order, Mr. Speaker. I have been listening to my hon. friend and I submit that his remarks are irrelevant for two reasons: one, that he is not speaking to the substantive motion before the House and, two, that he is slandering a public official who is conducting an inquiry, I submit that on both grounds his remarks are irrelevant.

The Acting Speaker (Mr. Richard): If I were to consider seriously the point of order put forward by the hon. member for Hamilton-Wentworth (Mr. Gibson) I would be inviting him to make a long speech. However, I do not consider the point of order to be well taken. The hon. member for Comox-Alberni (Mr. Barnett) has the floor.

Mr. Barnett: I was going to suggest that if the hon. member would do a little listening with his ears, and a little reading with his eyes, instead of using his mouth so much—

The Acting Speaker (Mr. Richard): Order, please. The hon. member has only a few minutes left. I am sure he would like to use the time to discuss the motion.

Mr. Barnett: —he might understand the relationship of what I am saying to the motion. Members of the House and the Canadian people should know exactly what, if anything, the commissioner has been doing since his appointment. I am sure that hon. members who have followed the developments leading up to the tabling of the white paper are fully aware that this is not the kind of action for which the Indian people have asked. They asked to be enabled to establish their rights and to have assistance to do so. Never at any time have they requested that a commissioner charged with reporting to the Governor in Council in secret be set up to deal with matters concerning them. I think this fact makes valid the request of the hon. member for Skeena for the immediate production of these documents, if any, for the information of the Indian people and members of the House.

[Mr. Barnett.]

The Acting Speaker (Mr. Richard): Hon. members will forgive me if my remarks are of a serious nature this evening, but in view of the tragic death of so many Canadians in the horrible tragedy at St. Jean Vianney yesterday I will confine my remarks to an expression, on behalf of hon. members and myself, of deep sympathy and condolence to the people concerned. May those who have died rest in peace and may their faith be rewarded in safer land.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENTS RESPECTING RATE PER BUSHEL, EMERGENCY PAYMENTS, EXTENSION OF APPLICATION TO RYE, FLAXSEED AND RAPESEED

The House resumed consideration of the motion of Mr. Lang that Bill C-239, to amend the Prairie Grain Advance Payments Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Cliff Downey (Battle River): Mr. Speaker, before private members' hour I was outlining some of the side-problems that we are running into with a depressed agricultural industry. Again I say to the minister that we all agree on the provision of cash advances, but there are many other problems that we should be solving rather than dealing with stop-gap measures such as cash advances.

I wish to quote some of the remarks made by the former head of the Board of Grain Commissioners, Mr. Hamilton. I will read some of his suggestions which I submit should be looked upon as alternatives to stop-gap measures such as cash advances. An article in the Edmonton *Journal* of April 5, 1971, quotes Mr. Hamilton as saying:

• (8:10 p.m.)

Ottawa must sell grain more imaginatively. "If industry can negotiate 15-year contracts surely the same can be done for grain." Ottawa should also be willing to ship grain in 1,000-ton lots as requested by developing countries, control ocean freight, place grain in position where it is needed, and lease storage space in vicinity of markets or help customers build it.

I emphasize that we should put grain where it is needed, in position to ship it. This was brought home to the minister in charge of the Wheat Board during the recent rail strike when the storage facilities at the coast were not full and as a result we lost about a week's supply of shipping. We need to keep this in mind as an insurance measure. Mr. Hamilton continued:

The Ottawa bureacracy is more interested in efficiency than effectiveness. "The question is not how well we are doing things but are we doing the right things." The bureaucrats are out of touch with reality.

There is too much governmental control and interference except in the case of the most successful crop, rapeseed. Now Ottawa is jumping on the bandwagon "to become associated with the rapeseed success story of western Canada."

These statements were made by one of the most respected and knowledgeable men in the grain trade. He has since been replaced as head of the Board of Grain Commissioners, and this concerns all of us interested in the trade. The man who has taken his place, Mr. Delmar Pound, is probably a capable man but I am sure no more so than the former commissioner, since some of Mr. Pound's experience was gained as campaign manager to the Minister of Agriculture (Mr. Olson).

The bill before us will undoubtedly be of help to the farmer. It is interesting to note that an amendment was moved in the Agricultural Committee not too long ago that would guarantee the farmers yearly income boosts comparable to those received by other organized sectors of the economy. I believe a 5 of per cent or 6 per cent income boost was proposed. Why does this government not consider a built-in price increase on agricultural commodities? They grant wage boosts to industry and even to members right here in this House, so why are farmers left out? The government is supposedly trying to improve the situation and would like the farmers out west to think so, but they turned down this proposal.

These things are a mystery to me, Mr. Speaker, and I hope the ministers responsible will explain why they continue with stop-gap measures instead of getting to the root of the problem. I know that the minister in charge of the Wheat Board realizes the importance of doing something in the farming belt if the agricultural sector is to continue at all. As a representative of the farmers in this House I feel that the minister must make his position or his thoughts known to the cabinet, or do as any man of intestinal fortitude would do—get with it or get out.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have sat through much of this quite lengthy debate. It may give some hon. members comfort to know that this particular phase of the farming debate is coming to an end.

With regard to cash advances I want to say briefly that in 1957, when the Conservative party took office, the situation on the farms of western Canada was almost identical to the situation today. Grain had been piled up on the farms. There was a surplus of about 700 million bushels of grain and a shortage of cash flow and cash return for farm produce. Today we find ourselves in similar circumstances.

There has been a myth spread over the land these last two years regarding the surplus of grain. I want to talk about world surplus. I would be the last to say that there was not a surplus in various exporting countries, but the fact is that Canada has moved from being first among the wheat exporting country of the world to fifth or sixth. If we had retained our export position, this cash advance bill would not have been so important. Shortly after we implemented legislation in this regard, the Diefenbaker government managed to sell and export grain and got it off the farm.

In 1957, 1958 and 1959 very few cash advances were taken up by the farmers because grain was moving. When produce is moving to market, cash advances are not necessary. A similar situation exists in the corn belt of the United States, where the government goes in, buys the product outright and puts a seal on the bin. The commodity then belongs to the government and not the farmer, although it is stored on his farm. Under the Canadian system the farmer got only approximately half the value of the commodity, and when it is delivered to the country elevator the department takes its share on the cash advance and that money is returned, so really it is a part payment for grain.

As every speaker has said—and this matter affects the whole western economy—there is a shortage of cash in agriculture and a depression today in western Canada. There are three or four bills on farming matters now before the House. If the government had come clean with Parliament and with the country regarding the constitutional matter which is before the Canadian people and the Supreme Court of Canada, this debate would have been shorter and the problems on the farm would have quickly disappeared.

One of the problems of marketing is that some of the ten provinces are now setting stringent regulations at provincial borders, preventing the free flow of produce from one province to another. That is what I meant today in the question period when I said that we were moving toward the balkanization of Canada.

I want to deal briefly with the questions that were raised yesterday. Surely this government, the Minister of Justice (Mr. Turner), the Minister of Agriculture (Mr. Olson) or the Prime Minister (Mr. Trudeau) could say, "We are going to test the Manitoba case in the Supreme Court of Canada. The Manitoba Court of Appeal has declared it ultra vires. We will brief the top counsel of Canada and adopt a national approach to marketing, not the narrow, parochial approach that might affect only the Maritimes or the west."

I now understand the Liberal party for the first time. They believe in a ten-nation program.

• (8:20 p.m.)

Mr. Gibson: Where did the hon. member read that?

Mr. Woolliams: I want the hon. member to read this speech and think about it. If he would listen more and be as polite to me as I am to him, and keep his mind as open as his mouth, he would make a great contribution to Parliament.

Mr. Gibson: My mind is open.

Mr. Woolliams: Section 121 of the British North America Act provides:

All articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces.

I maintain that regulations enacted by various provincial governments seek to prevent the free flow of farm products among provinces. Any such legislation—I am

referring particularly to the province of Quebec and to the action being taken by the province of Manitoba—is ultra vires and beyond the power of a province. It is beyond the power of a province to enact such legislation, and even if the federal government were to attempt to enact it, it would still be ultra vires. You cannot prevent the free flow of products among provinces.

I say, to illustrate my point, that this legislation would be unnecessary or cash advances would not have been needed to the same extent if the government had assumed its responsibilities. Today I asked the Minister of Justice whether counsel had been appointed to plead the case I have referred to before the Supreme Court of Canada and to represent the national interest. I asked what instructions had been given to counsel.

Mr. Pepin: What is the relevancy of those remarks?

Mr. Lang: Mr. Speaker, I rise on a point of order. I want to make it perfectly clear that I am always delighted to listen to my hon. friend, and I would be glad if later he would give us his thoughts outside in the corridor or in the hallway. However, tonight we are considering Bill C-239 and I would appreciate it if the hon. member would stay somewhere close to that subject.

Mr. Woolliams: I do not want to argue with the distinguished and illustrious minister from Saskatchewan who was dean of my law school. I am prepared to accept your ruling, Mr. Speaker. This is the first time I have spoken on this matter. I submit that my remarks were relevant in that the kind of cash advances being considered in this bill would not be necessary if the government had assumed its responsibilities. In that sense I submit that my remarks were relevant to this debate. If the minister would bear with me and listen, perhaps the debate on this bill and on others could be shortened. It is up to him.

Mr. Speaker: Order, please. I might say that it is a question for the Chair, rather than the minister, to decide whether matters are relevant. I realize that to some extent the hon. member in his argument took a roundabout way. When the hon. member for Meadow Lake (Mr. Cadieu) this afternoon referred to the other bill which is to be the subject matter of debate, I suggested to him that perhaps he should try as much as possible to limit his remarks to the bill being considered.

The hon. member for Calgary North (Mr. Woolliams) said that he intended to speak for just a few moments on this point and I was willing to take that into consideration. If it were the essence of his presentation I think it could be said that the speech ought to be made when the other bill is before the House, rather than on this bill. I am prepared to take into account the hon. member's suggestion that this is not the whole essence and substance of the speech he wishes to make tonight.

Mr. Woolliams: Mr. Speaker, I appreciate that. May I also point out that the purpose of the amendment moved by the hon. member for Palliser (Mr. Schumacher), that the bill be not now read the second time but that it be hoisted for six months, is to enable us to obtain answers to our questions.

Mr. Gibson: Which bill is the hon. member speaking to now?

Mr. Woolliams: May I finish what I was saying? I asked the Minister of Justice the name of counsel and what instructions he had been given. I asked whether the instructions of counsel, who was not named, were such as to take into account the national interest. Today the Minister of Justice said, "I do not know who he may be. I left that appointment to the deputy minister and do not know what the instructions were." In addition to fooling around with such a knotty constitutional question, this government wants to play politics with the livelihood of farmers.

Mr. McIntosh: Hear, hear!

Mr. Woolliams: The government has tried to cover up this problem by saying that it is changing the terms and conditions of the old act.

Mr. Lang: Which old act?

Mr. Woolliams: The cash advances legislation. The dean, as I always call him, is always very polite in this House. He has been noted for his arrogance if not for his intelligence.

Some hon. Members: Oh, oh!

Mr. Gibson: That was a great contribution to the debate.

Mr. Woolliams: May I now refer to the case of *Murphy v. Canadian Pacific Railway Company*. It illustrates the case in point. The facts were these: produce was produced in Manitoba by one Murphy who wished to ship it to British Columbia to his poultry farm. He went to the CPR. The grain was already bagged but the CPR refused to take the shipment of grain, and litigation began. The court dealt with the point we have sought to raise on an entirely different premise. Chief Justice Cartwright said, after argument on the point that I am raising now, that if a provincial legislature had enacted such restrictive legislation, it would have been declared ultra vires. In other words, legislation that controls interprovincial trade would have been ultra vires. I am confident that when the Supreme Court of Canada decides the Manitoba case, it will say that such restrictive legislation is ultra vires.

I therefore say that this legislation ought to be held up until that decision has been handed down. In addition, counsel for Crown ought to take the national approach; he ought to argue the national case as set out in the British North America Act and obtain a decision which would enble the free flow of trade between provinces.

Mr. Pepin: Hear, hear!

Mr. Woolliams: That is my submission. I cannot put it more clearly than it was put by the Manitoba Court of Appeal when dealing with this subject. They referred to

the case of *Rex v. Nat Bell Liquors, Limited.* Lord Sumner in that case said this:

In their Lordships' opinion the real question is whether the legislature has actually interefered with interprovincial or with foreign trade.

That is the real question to be determined.

Mr. Pepin: That was the question.

Mr. Woolliams: If this question were cleared up farmers would not need cash advances to the extent that they are now needed, because the cash problem on the farm would be partly, if not completely, remedied. The Court of Appeal then dealt with the Murphy case, which I will deal with in greater detail in a moment. In that case Mr. Justice Rand said:

What is forbidden is a trade regulation that in its essence and purpose is related to a provincial boundary.

I say to the government, why does it not instruct counsel appearing before the Supreme Court of Canada to adopt the national approach?

Mr. Pepin: He will.

Mr. Woolliams: Not only are these regulations affecting materially the free movement of trade but they are undermining the very foundations of confederation. There must be free trade between the provinces.

Mr. Pepin: Hear, hear!

Mr. Woolliams: In *Murphy v. CPR* Mr. Justice Cartwright said:

I am in general agreement with the reasons of my brother Rand and those of my brother Locke and would dispose of the appeal as they propose. I wish, however, to add a few words as to one of the submissions made by Mr. Finkelstein in the course of his full and able argument.

It was argued that section 32 of the Canadian Wheat Board Act forbids—

That is the section dealing with powers and regulations affecting the transporting of grain between provinces, thereby controlling interprovincial trade. The question was whether a man in Manitoba could ship his wheat from Manitoba to British Columbia.

Mr. Pepin: He can.

Mr. Woolliams: That point, although not directly argued in the Murphy case, was decided by the Manitoba Court of Appeal. That decision is now before the Supreme Court of Canada. I continue reading from the judgment:

It was urged that section 32 of the Canadian Wheat Board Act forbids a person who produces grain in one province to transport the grain so produced into another province to be there used by himself for his own purposes, that this prohibition is invalid, that it cannot be severed from the other provisions of the section and that consequently the whole section falls. The facts in the case at bar do not fall within the supposed case on which Mr. Finkelstein bases this argument but this circumstance does not affect the relevance of his submission to the issue of constitutional validity.

• (8:30 p.m.)

He now comes to the crux:

It seems clear that the enactment of such a prohibition would be beyond the powers of any provincial legislature and so would appear prima facie to fall within the powers of Parliament under the opening words of section 91 of the British North America Act and to be valid, unless it contravenes section 121 of that Act.

I already referred to this; it is basically free trade between the provinces.

It may be that if, on its true construction, section 32 would have the effecmt of prohibiting the supposed transportation it would be in conflict with section 121 as being a prohibition which, to borrow the words of my brother Rand, "in its essence and purpose is related to a provincial boundary" and not being a regulation of trade or commerce (since there are difficulties in regarding a person as engaged in trade or commerce with himself) or a necessary incident of such regulation. If this be so it would furnish a strong reason for construing section 32 as excluding from its operation the transportation in the case supposed, but I do not find it necessary to reach a final conclusion on the point—

That point has never been directly before the Supreme Court of Canada. It is now directly before the Supreme Court of Canada in the Manitoba case. The reason the Minister of Justice, the Minister of Manpower and Immigration (Mr. Lang), who is in charge of the wheat board, and the Minister of Agriculture will not take a position on this subject and want to see me ruled out of order is because they do not want me to mention it. Why? They know that what I am talking about is the very essence of every one of these bills and the debate that applies thereto.

[*Translation*]

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I rise on a point of order.

The hon. member is presently dealing with a sub judice matter since an appeal is underway. I therefore submit that the hon. member's speech amounts to a breach of our Standing Orders and that he should not interfere with a trial court decision which is now under appeal.

[*English*]

Mr. Speaker: The hon. member for Calgary North (Mr. Woolliams) and the hon. member for Hamilton-Wentworth (Mr. Gibson) are both learned in the law. They realize that we should be very careful in discussing matters which are before a court, perhaps even more so the Supreme Court of Canada than the lowest of our courts, although precedents do not establish a distinction between the highest and lower courts. I am sure that the hon. member for Calgary North is keeping this in mind.

It has been in the back of my mind that we must be careful in dealing with a matter that is before a court. Whether a case can be argued in the House of Commons which is at the same time being argued before a court of the country is an interesting point. I am sure the hon. member is keeping this in mind.

In any event, my understanding was when the hon. member began referring to this particular matter that he would not be very long and it was only part of his presentation. I must say that it has been longer than I

expected. I expected he would eventually relate what he was saying to the bill now before the House. I will take both aspects of the matter under consideration.

Mr. Lang: I rise on a question of privilege, Mr. Speaker. I do not want to deal with the wanderings of the hon. member, but he indicated that he thought I understood what he was talking about. I would like it to be known that neither I nor anyone else understood what he was talking about.

Mr. Woolliams: Mr. Speaker, I am not going to join in that kind of argument with the minister. I am going to treat it with the kind of contempt it deserves. With reference to the remarks made by Your Honour, I will abide by them. As far as the case is concerned, I was careful to stay on the line in that regard. I was not dealing with what judgment may come down from the Supreme Court of Canada. I was asking who will represent the federal government, what province counsel will be from and what his instructions will be in representing the national interest.

I repeat so that I will make myself clear to everyone, including the minister, that if this problem were settled he would not have to take the taxpayers' money to subsidize the farmers. There would be a cash flow on the farm if there were a market for goods and free trade among the provinces.

Some hon. Members: Hear, hear!

Mr. Woolliams: If that is not relevant, nothing is relevant in this whole debate.

Mr. Lang: Are you opposed to this bill?

Mr. Woolliams: I am not opposed to the principle of the bill, Mr. Speaker, because it was our party that brought in cash advances.

Some hon. Members: Hear, hear!

Mr. Woolliams: When our party brought in the cash advances, C. D. Howe said they would never work. The whole Liberal party voted against cash advances when they came before the House. I ask the minister to check that statement.

I would like to deal with the problems of the Minister of Agriculture. He will not come to grips with the real problems of the farmers. The same is true, as I said the other night, about the Minister of Agriculture who has climbed up the political ladder wrong by wrong by wrong. He has climbed from Social Credit to socialism by slickness and slyness. He will not accept the responsibility of seeing that there is a free flow of goods and produce from province to province.

I understand that in Alberta leaflets are being distributed in the minister's constituency. I would be surprised if this man who has climbed the political ladder wrong by wrong by wrong, from Social Credit to socialism by slickness and slyness, could even return to his own constituency.

Mr. Speaker: Order, please. The hon. member for Hamilton-Wentworth is rising on a point of order.

[Mr. Speaker.]

Some hon. Members: Hoot, hoot!

Mr. Gibson: Mr. Speaker, these personal attacks on the minister are unparliamentary. I submit that they are completely out of order.

Mr. Woolliams: There is one thing about my good friends. They always manage to say that the argument is not relevant. For an irrelevant argument, I have never seen an argument get under their skins so quickly. They know that everything I say is true. As far as this bill is concerned, they are trying to cover up the destitution and poverty that exists on the farms.

Some hon. Members: Hear, hear!

Mr. Woolliams: To make it even worse, the Minister of Justice has joined the Minister of Agriculture: the Minister of Justice has climbed the political ladder from Cambridge to constitutional inaccuracies, to anti-confederation. This is the true position of these men. I do not need to say any more; I have made my point. But I want to repeat—

Mr. Pepin: Go ahead, repeat.

Mr. Woolliams: Will the distinguished gentleman please bear with me? He is a man not gifted with words; he does not use them often.

Mr. Pepin: Let's have a repeat.

Mr. Woolliams: If the government wants to get this farm legislation through it will have to come to grips with the problem that I have mentioned and stop sweeping it under the carpet. Then this debate on agriculture would soon come to an end. It is no answer to say in this debate or the debates that will take place on the other two bills that Bill C-176 will be the answer. That bill is also unconstitutional. If the government does not think so, why does it not make a reference to the Supreme Court of Canada?

• (8:40 p.m.)

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I simply wish to say that I do not think we should refer this bill back. I say this because of the situation which exists in the Prairie region. I agree with the previous speaker—

An hon. Member: No.

Mr. Gleave: Why not?

An hon. Member: Because he is wrong.

Mr. Gleave: What he said was correct in some respects. When he told us Mr. C. D. Howe had said this type of legislation was impossible, he was correct. I know that, because I was around at the time. When the succeeding government put the legislation into effect, changes in the act made it less effective than it should have been. As a matter of fact, it worked hardship because farmers sold their crops in advance and were charged in the following year in respect of the advances they had received. Nevertheless, I do not think this bill should be referred back. We ought to correct what is wrong with the present

legislation. My mentor in the front seat says this is a motion for a six months' hoist.

An hon. Member: Water under the bridge!

Mr. Gleave: I think the bill should proceed. There are some features we should try to correct in clause 6. I believe the bill should go to committee and changes ought to be made if possible. I wished to make this statement, Mr. Speaker, before you put the motion.

The House divided on the amendment (Mr. Schumacher) which was negatived on the following division:

• (8:50 p.m.)

YEAS

Messrs:

Alexander
Alkenbrack
Bell
Bigg
Cadieu
Code
Crouse
Downey
Gauthier
Grills
Horner
Laprise
McGrath
McIntosh
McQuaid
Marshall
Mazankowski
Monteith
Moore
Murta
Nielsen
Ritchie
Rodrigue
Rondeau
Schumacher
Scott
Simpson
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Woolliams—31.

NAYS

Messrs:

Andras
Badanai
Barnett
Barrett
Béchard
Benson
Blair
Blouin
Boulanger
Breau
Buchanan
Burton
Clermont
Cobbe
Comtois
Corbin
Cyr
Deachman
Deakon
Dubé
Dupras
Duquet
Forget
Foster
Gibson
Gillespie
Givens
Gleave
Guay (Saint-Boniface)
Guilbault
Hopkins
Jamieson
Kaplan
Knowles (Winnipeg North Centre)
Lachance
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
MacInnis (Mrs.)
Mackasey
McNulty
Mahoney
Major
O'Connell
Olson
Pepin
Perrault
Peters
Portelance
Reid
Roberts
Rochon
Roy (Timmins)
Skoberg
Smith (Saint-Jean)
St. Pierre
Thomas (Maisonneuve-Rosemont)
Thomson (Battleford-Kindersley)
Trudeau
Trudel
Walker
Whelan
Whiting—73.

Division

• (9:40 p.m.)

Mr. Deputy Speaker: I declare the amendment lost. The question is now on the main motion. Is the House ready for the question?

Some hon. Members: Question.

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

Some hon. Members: On division.

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

* * *

PRAIRIE GRAIN STABILIZATION ACT

PROVISION FOR PAYMENTS TO WESTERN CANADA PRODUCERS IN YEARS WHEN RECEIPTS BELOW FIVE-YEAR AVERAGE

The House resumed, as from Tuesday, May 4, consideration of the point of order on the motion of the minister responsible for the Wheat Board for the second reading and reference to the Standing Committee on Agriculture of Bill C-244, respecting the stabilization of prairie grain sale proceeds and to repeal or amend certain related statutes.

Mr. Deputy Speaker: When Bill C-244 was before the House on Tuesday of this week the hon. member for Saskatoon-Biggar (Mr. Gleave) raised a point of order which was taken into consideration by the Chair.

An hon. Member: We cannot hear you, Mr. Speaker; the sound system is turned off.

Mr. Deputy Speaker: May I indicate to hon. members that I should like to dispose of the point of order raised by the hon. member for Saskatoon-Biggar when Bill C-244 was called for second reading.

An hon. Member: We still can't hear you.

Mr. Deputy Speaker: When Bill C-244 was called for second reading the hon. member for Saskatoon-Biggar raised a procedural point and urged the Chair to separate the bill on the grounds that the bill, in the words of the hon. member, "carries within it two separate proposals". The hon. member argued that clause 32 provides for a special transitional payment to producers out of the consolidated revenue fund. This payment, he said, would recognize a situation in existence, whereas the rest of the bill deals with a long-term proposal for prairie grain farmers.

The hon. member for Mackenzie (Mr. Korchinski) and other hon. members made the point that the House should not be required to accept the whole bill respecting the stabilization of prairie grain sale proceeds in order to obtain the immediate transitional payment for farmers as provided by clause 32. The hon. member for Winnipeg North Centre (Mr. Knowles) contended that not only clause 32 was involved but that clauses 33 and 34 should also be required, as he put it, "to stand on their own feet".

On the other side of the question, the minister responsible for the Wheat Board stated that the provisions of clause 32—that is what he called the transitional feature—are tied into and are part of the bill because they are based upon the stabilization provisions contained in the body of the bill as well as the repeal of the Temporary Wheat Reserves Act which, he noted, was likewise provided for in the bill.

• (9:50 p.m.)

Hon. members will recall that a ruling was made on a similar point of order in respect of Bill C-207, an act respecting the organization of the government of Canada. Mr. Speaker's ruling on that occasion is to be found at page 283 of *Votes and Proceedings* for January 26, 1971. This ruling reviewed the precedents and indicated that in all the circumstances Mr. Speaker felt that he should not take the "drastic and extreme" position of saying that the bill could not be accepted. His Honour then stated, however, as pointed out by the hon. member for Winnipeg North Centre during the discussion on the point of order, that there must be a point where an omnibus bill becomes more than an omnibus bill and is unacceptable from a procedural viewpoint.

I would like to thank all hon. members who assisted the Chair on the point of order now before it for determination. It seems to the Chair that while the matter is not free from doubt, there is a relationship between clause 32, between clauses 33 and 34 referred to by the hon. member for Winnipeg North Centre and the remainder of the bill.

The Chair suggests that there is no specific set of rules or guidelines governing the content of a bill. It follows, of course, that there should be a theme of relevancy among the contents of a bill and they must be relevant and subject to the umbrella which is raised by the terminology of the long title of the bill.

It is, of course, a matter of judgment in each case as to when a bill offends to the point that it should be ruled as unacceptable because it contains disparate matters. In my opinion this bill cannot be said to go that far. Therefore, I cannot agree that Bill C-244 should be divided by the Chair and I think that the motion for second reading should be put to the House.

Hon. Otto E. Lang (Minister of Manpower and Immigration) moved that Bill C-244, respecting the stabilization of prairie grain sale proceeds and to repeal or amend certain related statutes, be read the second time and referred to the Standing Committee on Agriculture.

He said: Mr. Speaker, Bill C-244 now before the House is a further portion of the total approach which this government is taking to the problems facing the grain industry. I would like to review for hon. members the way in which these problems have existed for many years without any totally effective action in relation to them, and to put the point to hon. members that in this group of bills, as with our total program for the grain farmer, we are attempting in rather short order to tackle many problems which have lain dormant for a long time.

[Mr. Deputy Speaker.]

I could mention the fact that the quota system which was brought into being a long time ago was very severely criticized as long ago as 1958 by a commissioner appointed by the then Conservative government to study the question. The Bracken commission described the quota system as something which, if it was in effect for a long time, would create inequities which would prove to be intolerable. Of course, nothing was done about that quota system. The same quota system stayed in effect throughout the time of that and successive governments.

During this period of time we have been examining all the problems facing the grain industry, trying to put the situation right. The quota system had been defective because it favoured one grain over the others. It had been defective by encouraging farmers to produce one particular grain, wheat, even if they lived and farmed in areas where other grains were better from an agricultural point of view. The quota system of their delivery privilege in terms of the money they could get from this grain simply dictated that they do this notwithstanding the agricultural conditions which they faced.

For many years farmers had been growing grains on the basis of far too limited information. When deciding what to plant, a farmer faces a real challenge. He always will, because he has to look at all the circumstances of the market and at his own ability and his farm before deciding what he should do. It seemed to us that he at least deserved as much information as was available and that he should receive it prior to seeding time.

This is what led us this year, for the first time, to indicate to farmers what their initial prices would be on March 1, so that they would have a final opportunity to look at those prices in determining their seeding intentions. This led us to introduce the cash advances legislation which provided greater equity as between grains and reflected to the farmer what his income would be on a particular grain so that he could determine what he should grow.

It is, of course, axiomatic that we have been concerned with the most important issue facing farmers, that of marketing. It was vital that we improve in every way possible the facilities available to the Canadian Wheat Board to market grain in the world. This led us to introduce credit programs which have brought us into markets to which we either did not have access for many years or we had not entered before. We got into these markets in a very big and important way.

Mr. Horner: Will the minister permit a question before ten o'clock? Will he clear up the doubts in the minds of hon. members and all Canadians in connection with his position in this regard? I understand that the Minister of Agriculture (Mr. Olson) is seeking an appointment to the Senate. Is this minister also seeking an appointment to the Senate?

Mr. Lang: We have heard a good deal from the hon. member for Crowfoot (Mr. Horner) during the past couple of days. I must say that that remark is as relevant and as accurate as anything else he has said.

Some hon. Members: Hear, hear!

Mr. Lang: To be perfectly accurate, Mr. Speaker, I would like it to be noted that this afternoon, as recorded in *Hansard,* twice in 25 minutes the hon. member said something which was correct. I acknowledged it each time he was correct. The rest was simply nonsense.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

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

CANADIAN PACIFIC RAILWAY—REQUEST BY HIGH SCHOOL CLASS FOR EXPLANATION OF FEDERAL GRANT IN LIGHT OF NET INCOME

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, on April 23 I asked the Minister of Transport (Mr. Jamieson) a question which was put to me by someone in my constituency. The letter read:

> The writer is a senior student of Killarney secondary school. Recently we were analyzing the 1970 annual report of the Canadian Pacific Railway Company. On page 14 we noted that the net income for the year amounted to $55,772,000. On page 12 we learned that the company received $33.1 million as a normal payment from the federal government.
>
> I would respectfully ask if you would explain the reason for this grant to a company with such a favourable earning statement.

As the federal government pays this annual subsidy to the CPR, I naturally thought the Minister of Transport would be the best person to give me an answer. However, Mr. Speaker ruled that my question was not in order at that time and I am therefore asking it now. Why was it necessary for the federal government to take $33 million of the taxpayers' money and give it to a company whose net income for 1970 was $55,772,000? Why has it been doing this sort of thing for years?

It is very difficult for some organizations to get much smaller subsidies. There are the organizations which help people without any profit to themselves. This year's estimates, for example, list the grants given to the Canadian Foundation on Alcoholism, the Canadian Mental Health Association, the Canadian Paraplegic Association, the Canadian Public Health Association, the Canadian Red Cross Society, the Canadian Tuberculosis Association, the Health League of Canada, the St. John Ambulance Association, the Traffic Injury Research Foundation and the Victorian Order of Nurses.

• (10:00 p.m.)

Taken together, all these organizations received a grand total of $172,000—an infinitesimal fraction of the $33.1 million handed over to Canadian Pacific Railway whose net profit last year was $55,772,000. Why the difference in treatment? The recent statement on income security issued by the National Council of Welfare refers to the inconsistency of our programs with our professed values. It compares welfare payments to various types of recipients—mothers on welfare, foster parents and others. Then it comments as follows:

> But if welfare payments to foster mothers are more than three times what welfare payments to assistance recipients are, they are still modest compared to payments to the real beneficiaries of government welfare programs, the corporate rich. Only these aren't called welfare programs. They are called things like "economic growth incentives". These payments—mining subsidies, tariff supports, tax incentives—represent regressive income transfer programs, money taxed from the poor and near-poor and given to the rich.

It seems to me that Canadian Pacific Railway has been a very fortunate social assistance recipient for years. The National Council of Welfare thinks it is time we extended this kind of welfare state to include the poor. But no, not this government! The National Council of Welfare goes on to say:

> Rather than provide money to people, we give it to companies on condition they will use it to create jobs (along with profits). Under the Regional Development Incentives Act—through which IBM for example, received a grant of $6 million and all told more than $125 million has already been given away to corporations—we provide subsidies averaging more than $6,150 per job and running as high as $30,000 per job. And we continue to pour money into industrial support schemes, notwithstanding the spectacular record of failures and wastages of taxpayer money chalked up by government-assisted industries.

Of course, what the National Council of Welfare wants to see is a guaranteed income adequate to enable full participation in the Canadian society by every member of that society. We can afford it, but only if we stop subsidizing the corporate rich who don't need it, by the various devices which are used to give social assistance to the wealthy CPR and others.

Now I should like to hear the parliamentary secretary's answer to the question raised by the senior students of Killarney secondary school in Vancouver: Why was it necessary for the federal government to take $33.1 million of the taxpayers' money and give it to Canadian Pacific Railway, whose net income for 1970 was $55,772,000?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, since this matter was raised by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) a number of weeks ago I have had an opportunity to take a look at the annual report from which figures were quoted.

The hon. member will recall that substantial changes were made to the National Transportation Act in 1967 which attempted to further rationalize financial assistance provided by the federal government to our national rail lines, in the public interest. The $33.1 million which was mentioned represents what is known as the normal payment by the federal government to Canadian Pacific Railway for 1969, not 1970. In 1970 the sum was reduced to $27.4 million, and it will be reduced again this year and again in each succeeding year to 1974 when the authority for such payments will expire under the act.

If the hon. member would like a detailed account of the approach adopted by Parliament to this matter I

would refer her to section 469 of the act. When the act was passed "normal payment" was defined as follows:

—the payment that would have been made to a railway company for a year if the sum specified in subsection (2) for that year was available to be divided among the eligible companies as a parliamentary appropriation to reimburse eligible companies for maintaining the level of rates for freight traffic at a level that would satisfy Order No. 101055 of the Board of Transport Commissioners for Canada dated April 27, 1960.

Mr. Speaker, without attempting to explain the order referred to I would draw the hon. member's attention again to the fact that total normal payments are declining by the amount of $12 million per year to 1974, at which point they will end. These matters are technical and are somewhat difficult to explain without going into a great deal of detail. However, I hope my explanation has been of some assistance to the hon. member, and for more detail I am sending her a copy of section 469 of the act to which I have referred.

SUPPLY AND SERVICES—LETTING OF CONTRACTS WITHOUT COMPETITIVE TENDERING

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on April 30 I asked the following question of the Minister of Supply and Services (Mr. Richardson):

Since $1.8 million was paid to one consultant firm for federal contracts in the last two years without competitive tendering, can the minister indicate what guarantees there may be against abuses in awarding contracts on the basis of non-competitive tendering?

Mr. Speaker suggested at that time the question was somewhat wide in scope, hence the reason for debating it tonight. In answer to question No. 675, which was an inquiry of the minister, I received certain figures. Perhaps I should put the question on the record. It was:

1. How many federal contracts have been let to the consulting firm of Kates, Peat and Marwick, in 1968 and 1969 (a) what was the total cost of the contracts in 1968 (b) what was the total cost of the contracts in 1969?

2 How many of these contracts for consulting services were awarded by competitive tender?

3. Were there any contracts let to the firm of Kates, Peat and Marwick concerning the survey of coal reserve estimates in any part of Canada and, if so, in what areas?

In response to that inquiry it was indicated that the Department of Agriculture had $20,350 with no tenders; CMHC, $2,000 with no tenders; Consumer and Corporate Affairs, $3,525 with no tenders; Energy, Mines and Resources, $5,000 with no tenders; Department of the Secretary of State for External Affairs, $10,000 with no tenders; Industry, Trade and Commerce, $13,000, two on competitive tenders; again, Industry Trade and Commerce, $65,200 with two contracts, one of which was on the basis of a tender; Manpower and Immigration, $40,020, no competitive tenders; the department of the minister responsible for housing, $5,000, no tenders; National Defence, $30,000 were tendered; Treasury Board, $320 with no tenders; National Health and Welfare, $23,108 with no tenders; National Revenue, $9,500 with one competitive tender.

[Mr. Duquet.]

The next one I cannot make out, but it amounted to $294,475, involving three contracts, one on a competitive tender basis. Then, the Privy Council, $4,000 with no tenders; the Public Staff Relations Board, $8,700 with no tenders. Then we have the Department of Regional Economic Expansion, with two contracts amounting to $17,500, one on a competitive tender; the Department of the Secretary of State, $9,145 with no tenders; and the Department of Transport, with $1,523,173 with no competitive tenders. Canadian Transport Commission, $46,795, no competitive tender; the National Harbours Board, $11,800, one competitive tender; Treasury Board, $113,700, no competitive tender.

• (10:10 p.m.)

This amounted to $2,256,311. These figures amount to close to $2 million in respect of which there was no competitive tendering. Mr. Speaker, the main reason behind this question is to find out whether or not there have been any abuses in respect of tendering, when so few competitive bids are called for. I am not questioning the firm involved at this time or the ones granted the $2,256,311 in contracts, but it does make one wonder why that one firm with no competitive tendering is allowed to obtain so much of the taxpayer's money. There would appear to be a sharp increase in non-competitive tendering and the people of Canada are entitled to know the reason for granting contracts without competitive tendering.

We ask whether contracts should not be granted based on merit, and should they not be granted based on equality and fairness to all consulting firms. How can Canadian-managed and owned consulting firms establish themselves if they are not given an opportunity to bid on contracts? Who has the right to determine ability, in so far as consulting companies are concerned, to bid on these contracts? I suggest departments should not have the right to determine who should have an opportunity to obtain this type of contract.

I suggest Canadians are entitled to protection from being scalloped, and the only way this can be done—I agree there may be a few exceptions—is to put contracts up for competitive tendering. I am sure no one in this country would like to think that pork-barrel politics are involved in this type of non-competitive tendering. Therefore, I would ask the parliamentary secretary, who is kind enough to be here this evening, why so many contracts have been let on a non-competitive tendering basis and why there appears to be an increase in this type of non-competitive tendering in so many departments of government.

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I welcome the opportunity to reply to the hardworking member for Moose Jaw (Mr. Skoberg).

Mr. Knowles (Winnipeg North Centre): You are a man of perspicuity.

Mr. Gillespie: He has shown an impressive interest in management consulting, although whether or not he feels

the government should benefit from the services of management consultants was not altogether clear to me. On receiving notice of his question I did my own research and a little management consulting. I hope I shall be able to answer his question this evening.

Mr. Skoberg: Did you hire somebody?

Mr. Gillespie: There was no competitive tendering on this one. The basic principle, of course, is that on all contracts tenders must be called unless there are good reasons for not calling them. There are a number of safeguards to the system of awarding contracts throughout the government service. They are prescribed in government contract regulations issued under authority of the Financial Administration Act.

Tenders must be called except in specified circumstances such as—there are three examples I can cite—when the need is urgent, when there is only one source of supply, or when the value of the contract is small and the cost to both the taxpayer or the unsuccessful contractor is out of all proportion to the value of the contract itself. I believe hon. members would agree that these combine both the principles of control on the one hand and concern for the public purse and the necessary flexibility in managing a giant enterprise.

In the case of awards of contracts to management consultants, price competition alone is only one of the selection criteria. There is a directive on this subject issued by the Treasury Board. It instructs all departments to obtain proposals where possible. These are judged on the basis of eight factors included in the directive. I should like to say, also, that this policy has the endorsement of the Canadian Association of Management Consultants. A registry of qualified firms is maintained by the board. I think it is also important to add that the firms themselves evaluate their own capabilities for entry in this registry.

The hon. member read into the record this evening the summary of the return tabled the other day in the House.

Mr. Deputy Speaker: Order, please. The time allotted to the parliamentary secretary has expired.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Friday, May 7, 1971

The House met at 11 a.m.

PRIVILEGE

MR. MACDONALD (EGMONT)—ACCURACY OF HANSARD REPORT OF ANSWER BY MINISTER OF JUSTICE

Mr. David MacDonald (Egmont): Mr. Speaker, I have a question of privilege. I received yesterday's *Hansard* just a few moments ago so it was not possible to give Your Honour notice of my question. In looking at yesterday's *Hansard* I note that when the Minister of Justice replied to my question in which I asked him whether there would be a presumption of guilt, on the same basis as in the public order legislation, with respect to the bill of rights which he is shortly to introduce he said that the government was again going to pursue a presumption of guilt. This has been rewritten in yesterday's *Hansard*—I am not sure by whom, to read:

Mr. Speaker, the assumption is again wrong. We have always held the presumption of innocence as paramount.

I am sure that along with myself many other hon. members heard the minister yesterday afternoon when he spoke in the House, and while he may not have meant to say what in fact he did say, he did say it. I think that this trespasses upon the rights of members to have an accurate reflection of the debates and comments made in the House. I hope Your Honour will take steps to provide an accurate rendition.

Mr. Speaker: The hon. member knows the situation. It is rather difficult to change *Hansard* after it has been published. When the minister is in the House perhaps he might give an explanation. I might say in all honesty that what I heard the minister say was not what the hon. member heard, but I have not reflected on it at all, of course, and I may easily be wrong. I will listen to the tape which is available to the Chair. Perhaps that might be considered to be the authority, and eventually when *Hansard* is published officially the exact words of the minister will be reported accordingly.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I rise on the same point of privilege. Every Member in the House yesterday heard the Minister of Justice give his answer. He obviously made a slip of the tongue and as soon as the words were uttered he corrected them. He did so publicly and every member here heard him. Obviously, the hon. member is being very small.

• (11:10 a.m.)

Mr. MacDonald (Egmont): On a point of order, I am very grateful to have the Prime Minister's confirmation of the exact rendition of what did transpire. All I am asking is that the correct rendition of what was said be reflected in *Hansard*. That is all I am asking for.

ROUTINE PROCEEDINGS

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

First report of Standing Committee on Indian Affairs and Northern Development—Mr. Watson.

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

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AGRICULTURE

INTERPROVINCIAL MARKETING—QUEBEC LEGISLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. James A. McGrath (St. John's East): Mr. Speaker, I ask the unanimous consent of the House to propose a motion which I consider to be of urgent and pressing necessity. This matter concerns the amendments to the Quebec Agricultural Products and Food Act and the Quebec Agricultural Marketing Act, which go into effect immediately and enable the government of Quebec to close the Quebec borders to the farm products of other provinces as of now, and the failure of the federal government to assert and protect the principle of free trade between provinces which is guaranteed by the constitution.

Therefore, pursuant to Standing Order 43 I ask unanimous consent to move, seconded by the hon. member for Crowfoot (Mr. Horner):

That in the opinion of this House the government should give immediate consideration to exercising its jurisdiction in this area under the residual powers of the BNA Act, until such time as the matter has been resolved by the Supreme Court or by this Parliament.

Mr. Speaker: Hon. members have heard the motion which requires unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, before we leave the order for motions I wonder if the

Minister of Transport has any statement to make concerning pension changes by the Canadian Pacific Railway?

Mr. Jamieson: No.

ORAL QUESTION PERIOD

HEALTH

MEDICARE—ONTARIO INVESTIGATION OF BILLING BY DOCTORS—FEDERAL ACTION TO PREVENT ABUSES

Mr. David MacDonald (Egmont): Mr. Speaker, my question is to the Prime Minister. In view of the absence of the Minister of National Health and Welfare, in view of the startling reports that have prompted the provincial Minister of Health in Ontario to investigate the basic operation of the billing aspects of the medicare program in that province, and in view of the danger of a clear loss of respect both for the medical profession and for the medicare plan itself, can the Prime Minister inform the House exactly what measures are being pursued and exactly what steps are being taken so that the national medicare program will not be seriously abused and so that many needy people will not in this way be inadvertently deprived of the services of the medical profession?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, on this general subject of shared cost programs like medicare, where the federal government pays 50 cent dollars—permits the provinces to spend 50 cent dollars—

An hon. Member: Oh, oh!

Mr. Trudeau: Did you get that?

Mr. Knowles (Winnipeg North Centre): The Prime Minister is being honest.

Mr. Trudeau: —the federal government has impressed upon the provinces the importance for them to keep these expenses under control. This applies not only to medicare but to post-secondary education, hospital grants, and so on. In all these areas where the federal taxpayer is paying 50 per cent of the cost of provincial programs, or of national programs which are administered provincially, we have constantly impressed upon the provinces the need to keep these costs under control. I am glad they are beginning—I should not say "beginning" because some time back they have indicated their strong desire to co-operate in this area.

Mr. MacDonald (Egmont): In view of the fact, as the Prime Minister indicated, that the federal government does participate on a 50 per cent basis in this program, can he indicate whether or not the office of the Auditor General has been directed to conduct a full investigation into the operations of the medicare program and, if the government has not directed the Auditor General to do so, can he at least assure the House that he or the government will not impede the Auditor General from undertaking such an investigation should he think it necessary?

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

Mr. Pepin: Rewrite that now.

An hon. Member: Back to square one.

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CANADIAN PACIFIC RAILWAY

SUGGESTED PENSION INCREASES FOR RETIRED EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the Minister of Transport did not have a statement to make on motions, can he tell the House whether the Canadian Pacific Railway has advised the government of changes it is proposing to make in its pension plan and, in particular, will these cover an increase in the pensions of CPR employees already retired?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have asked the Canadian Pacific Railway to let me have the details but they have not done so up to this time. I can tell the House, however, as I am sure the hon. member knows, that at the time when we agreed to the extension and improvement of pensions in the case of Canadian National Railways I conveyed to Canadian Pacific Railway our hope that this would prompt them to do likewise and, similarly, we made other arrangements with CPR which would enable them to do this. On the basis of the announcement made I can only assume that they have in fact complied with this request. I shall try to get specific details on just what they have arranged and make them available to the hon. member early next week.

Mr. John L. Skoberg (Moose Jaw): I have a supplementary question for the Minister of Finance, Mr. Speaker. In granting extra time to the Canadian Pacific Railway to fund their plan and extending that time to 60 years, were any commitments given by the Canadian Pacific Railway that they would make some significant increase in benefits to those people already on pension?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker. The move was simply made to put the Canadian Pacific Railway on the same basis as Canadian National Railways.

Mr. Skoberg: In view of the fact that the plan announced by the Canadian Pacific Railway today did nothing significantly to increase pensions for those already drawing them, can the minister tell us whether he will take immediate action to make sure that the Canadian Pacific Railway will now move to do something for those people already on pension?

Mr. Benson: Mr. Speaker, my position in this regard must be that I put the Canadian Pacific Railway in the same position as Canadian National Railways in regard to making up arrears. Pension benefits are negotiable between employees of the CPR and the railway, not between the railway and me.

Mr. Skoberg: A further supplementary—

Mr. Speaker: Order. The hon. member may ask a final supplementary but I would remind hon. members that the question period is only 40 minutes in length.

Mr. Skoberg: Since those people already on pension have no means of negotiating and since the Canadian Pacific Railway is now basing its pension improvements on years of service instead of years of retirement as is done by the Canadian National Railways, will the minister personally intervene right now to do something to help those people already on pension?

Mr. Speaker: Order, please. The hon. member's further supplementary question is very much like the previous one.

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[*Translation*]

INDUSTRY

AUTOMOBILES MANIC LTD.—MEASURES TO PREVENT CLOSING

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Minister of Regional Economic Expansion, I should like to put a question to the Prime Minister.

Since, according to the reports received this morning, it seems obvious that the MANIC Co. of Granby—the only Canadian company building sports cars—is on the verge of bankruptcy and that the government has already given that company a grant of $344,000 representing the direct federal tax of $319 per car for a minimum production of 1,000 cars in the first year, is the Prime Minister aware of that eventual bankruptcy and does he intend to take the necessary steps to avoid it and prevent once more a Canadian company from becoming the property of foreign interests and more specifically of American interests for lack of the small amount of $400,000 which that industry would need to avoid bankruptcy?

Mr. Speaker: Order. The hon. member may ask a question but he may not make a speech.

Right Hon. P. E. Trudeau (Prime Minister): The answer to the first question is no, Mr. Speaker. As for the second one, I can only say that I will study the matter.

* * *

[*English*]

AIRPORTS

CALGARY—DISCUSSIONS WITH ALBERTA CABINET MINISTERS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that questions have been put to him about the new Toronto International Airport and in view of the fact that yesterday one or more cabinet ministers from the province of Alberta were here, did any discussion take place with reference to the international airport in the city of Calgary which is so important to the province of Alberta and particularly to the petroleum industry because of the travel of personnel between the United States and Canada?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, so far as I am aware there were no conversations in Ottawa yesterday with visitors from Edmonton. Discussions took place between myself and His Worship, the Mayor of Edmonton, a week or so ago, and during this present week there have been discussions in Edmonton between officials of the Department of Transport, the city and various other organizations in the Edmonton area.

Mr. Woolliams: Has a decision been made at the federal government level about the international airport at Calgary, and has the matter now been referred to officials of the Alberta provincial government and officials of the city of Calgary?

Mr. Jamieson: Mr. Speaker, I hesitate to suggest that the hon. member is talking about the wrong airport. If he is talking about the industrial airport at Edmonton, as opposed to the international airport, may I say that the talks which have been going on have been related to the future use of the industrial airport in the city of Edmonton.

Mr. Woolliams: Mr. Speaker, may I ask one further question. Perhaps the minister will not able to answer it. Has there been conversation between the minister and the hon. member for Calgary South about extension of Calgary International Airport and the building of a new depot?

Mr. Speaker: Order, please. The hon. member cannot ask the minister whether he has had conversation with another member of the House.

[*Later:*]

Mr. Jamieson: Mr. Speaker, while I am on my feet may I apologize to the hon. member for Calgary North. I misunderstood him. During the past week there has been a great deal of discussion about the future of Edmonton's industrial airport. I was under the impression that that was the nature of the question. So far as the Calgary airport is concerned, I have had a request from the mayor of Calgary for a meeting with him, which I propose to agree to next week. I believe that the Minister of Highways for the province of Alberta will be accompanying him to that meeting. I am sorry I misunderstood the hon. member.

Mr. Woolliams: Thank you very much.

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GRAIN

REQUEST FOR TABLING OF CORRESPONDENCE ON MARKETING OF RAPESEED FROM PRODUCERS AND OTHERS

Mr. Jack Murta (Lisgar): Mr. Speaker, may I direct my question to the minister responsible for the Wheat

Board. As found on page 5158 of *Hansard*, I asked the minister if he would table in the House the contents of letters and other communications concerning the proposed inclusion of rapeseed, rye and flax under the Canadian Wheat Board Act. Is he now prepared to table the contents of those letters?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I do not have them here with me now, but I am looking into the matter.

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OIL

PROPOSED TANKER ROUTE BETWEEN ALASKA AND WEST COAST STATES—PROTECTION OF CANADIAN ENVIRONMENT

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Prime Minister arising from a statement made in Anchorage, Alaska, by the Deputy Minister of Energy, Mines and Resources to the effect that Canada would be prepared to accept the west coast oil tanker route provided that full protection is given to the Canadian environment in adjacent regions. May I ask the right hon. gentleman what he would consider to be full protection of the Canadian environment if an oil tanker route were established between Alaska and the more southerly states of the United States?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of that statement.

Mr. Speaker: Order, please. Perhaps the hon. member might like to rephrase his question. He has asked the Prime Minister to express an opinion and I would not think that in those terms the question is in order. I know that the matter is important. Perhaps the hon. member might like to rephrase his inquiry.

Mr. Barnett: Mr. Speaker, perhaps I could rephrase the question this way: can the Prime Minister say whether Canada has officially indicated to the United States the terms and conditions which this country feels would be acceptable for the establishment of an oil tanker route on the Pacific between Alaska and other states of the United States?

Mr. Trudeau: Mr. Speaker, I am rather sure that Canada has not because we would not be empowered under law or writ to tell the United States how it can move oil on the high seas. I will have to look into the speech to which the hon. member referred and perhaps, ask the minister to answer the question in due course.

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ST. LAWRENCE SEAWAY

INQUIRY AS TO REFERENCE OF CARR REPORT TO TRANSPORT COMMITTEE

Mr. Jim McNulty (St. Catharines): Mr. Speaker, may I ask the Minister of Transport if the Carr report will be referred to the Standing Committee on Transport and Communications for study?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I would have no objection to that procedure at the appropriate time. We have released the report generally for consideration and discussion. If, after some of these representations are in, it appears that there is merit in having it discussed by the committee, certainly I would be more than pleased if that were done.

* * *

GRAIN

WHEAT—TRANSITIONAL PAYMENTS TO FARMERS

Mr. J. H. Horner (Crowfoot): Mr. Speaker, may I direct a question the minister in charge of the Canadian Wheat Board, the Minister of Manpower and Immigration. Is he now in a position to inform the House when and how the $100 million will be paid to the farmers? Will it be paid on an acreage basis and how much per acre will be paid? Who will be able to receive payments?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the legislation is before the House. When the payments are to be made will depend, of course, upon the passage of that legislation. I hope that the payments can be made very quickly after royal assent has been given to the legislation. The qualifications of persons and the basis of the payments are all contained in the legislation.

Mr. Horner: I wish to pursue this a little further. Will the minister not consider making the payments even before the legislation is passed? This money is urgently required before seeding, and the minister took so long to introduce the legislation. It should have been introduced months ago.

Mr. Speaker: Order, please.

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OFFICIAL LANGUAGES ACT

BILINGUAL DISTRICTS—AMENDMENTS OF STATUTE TO INCLUDE URBAN CENTRES

Mr. Doug Rowland (Selkirk): My question is for the Prime Minister. Is it the intention of the government to bring in amendments to the Official Languages Act to give effect to the recommendation of the Bilingual Districts Advisory Board so that certain major urban centres in Canada which are now excluded from becoming bilingual districts may become bilingual districts?

Right Hon. P. E. Trudeau (Prime Minister): The Secretary of State has explained to the House that, the report having been tabled, the government is now studying it and that no action can be taken before the expiration of 90 days. Until that time expires, the government cannot legally take any action. By then we will have studied the report, and we will make such announcements as are required in due course.

Mr. David MacDonald (Egmont): Does the Prime Minister not agree that, apart from the actual implementa-

tion of the recommendations presently before the House, after the 90-day period has expired it is not impossible for the government to put on the order paper additional recommendations that will give effect to some of these recommendations specifically with regard to urban areas?

Mr. Speaker: Order, please. The hon. member's supplementary is in the form of a suggestion or submission.

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AGRICULTURE

PRAIRIE PROVINCES—ACTION TO IMPROVE NET FARM INCOME

Mr. Lorne Nystrom (Yorkton-Melville): I wish to direct my question to the Prime Minister. In view of the figures that have just been released by the Dominion Bureau of Statistics which show that net farm income in Saskatchewan has dropped by 56 per cent in the past two years and in view of the fact that bills before the House will do little to seriously alter that situation, is the Prime Minister contemplating any emergency action to try to improve the farm income picture in western Canada?

Mr. Speaker: Order, please. The hon. member will recognize that he has invited the Prime Minister, or someone on behalf of the government, to make a rather general statement. He might inquire whether such a statement will be made on motions in due course.

Mr. Nystrom: In that case, may I ask the Prime Minister if he will make a statement indicating whether he is planning any legislation to improve the farm income picture in western Canada in a serious way?

Mr. Horner: Call the by-election.

Right Hon. P. E. Trudeau (Prime Minister): As the hon. member for Crowfoot said a moment ago, there is a proposed sum of $100 million in the offing, if the opposition can get on with the business of passing these bills.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Horner: I rise on a question of privilege. That legislation was first proposed in the House on October 29. Why did the minister not bring it in months ago? He did not have it drafted. We have not held it up.

Mr. Speaker: Order, please. I suggest to hon. members that during the question period we are now discussing legislation which is otherwise before Parliament. That is not in order.

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PUBLIC SERVICE

BILINGUAL PROGRAM—USE OF DELEGATED AUTHORITY—FEARS EXPRESSED BY HEADS OF EMPLOYEES' ORGANIZATIONS

Mr. Gordon Ritchie (Dauphin): My question is for the President of the Treasury Board. What action is the

government taking with regard to the fears expressed by Mr. Edwards of the Public Service Alliance and Mr. Barnes of the Professional Institute of the Public Service suggesting that the government's bilingual program for public servants is becoming bicultural and also that the use of delegated authority by government departments is compromising the merit system and introducing a form of patronage?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the conclusions drawn by the hon. member or the hypotheses of his question about the bilingual program are not well-founded. In relation to the second part of his question, I think the hon. member knows this was the subject of discussion in a parliamentary committee. The Treasury Board is now looking into it.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

SUGGESTED AGREEMENT TO LIMIT DEBATE ON FARM PRODUCTS MARKETING BILL

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the President of the Privy Council.

In view of recently announced policies of Quebec and Ontario regarding the marketing of certain farm products and since in my opinion Bill C-176 could have corrective effects and opposition parties are anxious to arrive at an agreement, would the President of the Privy Council approach them in order to reach an agreement to limit debate on Bill C-176, which would demonstrate our determination to serve the best interests of Canadian farmers?

[*English*]

Mr. Speaker: Order, please. The hon. member's question sounds more like a submission or recommendation. I do not think it can be accepted as a question. I have some doubts whether or not we are straying somewhat from the recognized practice of not anticipating an order of the day.

[*Translation*]

Mr. La Salle: Mr. Speaker—

Mr. Speaker: Does the hon. member wish to change the form of his question?

Mr. La Salle: Yes, Mr. Speaker.

I should like to ask the President of the Privy Council whether he could meet with the representatives of the opposition parties so as to decide, upon common agreement, to restrict the debate on Bill C-176?

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Yes, Mr. Speaker, I shall continue my consultations on this and other bills with the opposition.

Inquiries of the Ministry

AGRICULTURE

FARM PRODUCTS MARKETING BILL—SUGGESTED REFERENCE TO SUPREME COURT OF CANADA

Mr. Eldon M. Woolliams (Calgary North): In light of the Prime Minister's answer with regard to Bill C-176, which he feels can remedy the present situation of no free trade between the provinces, I should like to ask him whether he is prepared to refer that bill to the Supreme Court of Canada to determine whether it is intra vires or ultra vires and thus confirm or otherwise the position he has taken in the House as to its constitutionality?

Right Hon. P. E. Trudeau (Prime Minister): The bill is before the House. Surely the proper procedure is for the House to adopt the bill and then, if some citizens believe it to be ultra vires, they can refer it to the Supreme Court. The government of Canada obviously drafted the bill with the advice of its legal officers and we have presented a bill which in our view is fully constitutional. I find it strange that when we are being told by many provinces that this bill is needed to remedy the situation, the opposition—

Mr. Speaker: Order, please. I do not think I should interfere unduly, but it seems to me we are again, as we did yesterday for a good part of the question period, engaging in a debate on Bill C-176 which is otherwise before the House.

Mr. Woolliams: May I ask one more supplementary question, because this is important. We shall not even have a parliament if confederation breaks up, and that is what we are talking about. I should like to put this question to the Prime Minister. In view of the fact there are plenty of precedents for the government of Canada asking the Supreme Court to determine the constitutionality of legislation would the Prime Minister be prepared to take such a course—yes or no?

Mr. Trudeau: The answer is no. I must add, Mr. Speaker, that it is difficult to understand how, the government having proposed a measure which would precisely prevent the balkanization of Canada—

Mr. Horner: You will balkanize Canada.

Mr. Trudeau: A request for marketing boards by the agricultural section of the economy has been made at least since I have been around, and now the government is at last moving forward with such a bill. The government has caused it to bog down for more than a year in the House and now they are suggesting it be delayed further by the making of a reference to the Supreme Court of Canada.

Mr. Speaker: Order, please. Hon. members will be recognized, but we have to give others an opportunity to ask questions.

[*Later:*]

Mr. Trudeau: Mr. Speaker, I was talking about slips of the tongue and I am told I made one a moment ago. Perhaps I might be allowed to correct it. It had to do with Bill C-176.

[Mr. MacEachen.]

Mr. Horner: Don't misrepresent it.

Mr. Knowles (Winnipeg North Centre): You were right the first time.

Mr. Trudeau: Apparently I said it had been slowed down by the government.

Some hon. Members: Oh, oh!

Mr. Trudeau: Everyone knows that it is the hon. member for Crowfoot in particular who has been slowing it down.

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STATUS OF WOMEN

IMPLEMENTATION OF COMMISSION RECOMMENDATIONS

Mrs. Grace MacInnis (Vancouver-Kingsway): My question is directed to the Prime Minister. As it is some time since I inquired about the intention of the government with regard to the recommendations of the Royal Commission on the Status of Women, may I inquire whether the right hon. gentleman is now in a position to give a progress report and tell us what the government intends to do?

Right Hon. P. E. Trudeau (Prime Minister): I did say, the last time I answered the question, that the government had taken steps to make sure that each department was examining the report to ensure that its legislation and its policy reflected the studies of the commission. I might add that this needs co-ordination at the ministerial level, and I have asked the energetic Minister without Portfolio responsible for housing to ensure this co-ordination between the various departments.

* * *

CITIZENSHIP

EXTENSION TO CHILDREN THROUGH MOTHER AS WELL AS FATHER

Mr. R. N. Thompson (Red Deer): May I direct a question to the Minister of Immigration. Does his department intend to extend right of citizenship through the mother as well as through the father to children who are in need of such status?

Hon. Otto E. Lang (Minister of Manpower and Immigration): That question should properly be directed to the Minister without Portfolio responsible for citizenship when he is in the House.

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[*Translation*]

HOUSING

SUGGESTED DECREASE IN INTEREST RATE FOR PEOPLE ON LOW INCOMES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister without Portfolio responsible for housing.

Could he say whether, under the housing program for 1971, loans with a decreasing rate of interest may be provided for low-income people as regards the building of single dwellings?

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): We have entered into reciprocal or co-operative arrangements with some of the provinces in cases in which those provinces are applying interest rebates. The province of Quebec, for instance, has a program whereby it joins with purchasers of low income cost homes to provide a 3 per cent interest rebate and we are working out arrangements with other provinces along these lines. I hope to be able to make an announcement shortly.

[*Translation*]

Mr. Laprise: Mr. Speaker, I would like to ask a supplementary question.

I do not think the minister understood my question. I am not referring to the interest rebates offered by the provinces, but to the loans at a decreasing rate down to 7½ per cent granted by the government for the construction of apartment buildings or row housing.

I would like to know whether the minister may also grant loans at a decreasing rate down to 7½ per cent for the construction of single dwellings.

[*English*]

Mr. Andras: We have not made federal government loans through CMHC at the rate of interest to which the hon. member has referred. We have made loans at interest rates lower than market cost under section 16 of the act and, in some cases, under section 40 of the act, but never at rates lower than those permitted under section 16. Therefore, the interest rates to which the hon. member refers must reflect participation by the provincial government.

[*Translation*]

SPECIAL CREDITS FOR MUNICIPALITIES

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a supplementary to the Prime Minister.

Could he tell the House whether the Union of Municipalities has asked the federal government to grant funds to municipalities for certain projects? I know that the minister responsible for housing is directly involved, and I was hoping that this morning he would give us an answer—

Mr. Speaker: Order, please. Perhaps the hon. member should give the minister an opportunity to answer this question.

[*English*]

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I really cannot deal with the precise points the hon. member has raised because I do not quite understand them. All I can say is we were successful in discussing last week in Winnipeg, with the provincial ministers of municipal affairs and representatives of municipal governments, arrangements and a commitment concerning tri-level consultation on a whole range of matters involving urbanization and urban problems. The question of grants, if that is what the hon. member is referring to, was not dealt with in any specific way.

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FINANCE

STORAGE OF COMPUTER DATA ON ECONOMY IN UNITED STATES DATA BANKS

Mr. S. Perry Ryan (Spadina): I have a question for the Minister of Finance. Is the hon. gentleman now in a position to say whether or not data on the Canadian economy is being stored in United States data banks?

Hon. E. J. Benson (Minister of Finance): The answer is no, Mr. Speaker.

Mr. Ryan: A supplementary question to the Minister of Industry, Trade and Commerce. Can the hon. gentleman assure the House that the census data will not be stored in United States data banks?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I will look into it. I suggest the answer given by the Minister of Finance will apply in this case, but I will try to secure confirmation.

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PUBLIC SERVICE

DELAY IN SIGNING AGREEMENT WITH SCIENTIFIC RESEARCH GROUP

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the President of the Treasury Board. In view of the long process of collective bargaining which has gone on with the Professional Institute of the Public Service of Canada with regard to the scientific research groups, since August 7, 1970, can the minister say why Treasury Board has delayed signing the final agreement?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I do not know whether there was any delay but I shall make an inquiry and advise the hon. member.

Mr. Bell: I hope the minister will reply because I understand some members who have shown good will in this regard are annoyed by the thought that this is another way by which Treasury Board is frustrating this method of collective bargaining.

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OFFICIAL LANGUAGES ACT

BILINGUAL DISTRICTS—RECONSIDERATION OF CERTAIN AREAS—CRITERIA TO BE USED

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to ask the right hon. Prime Minister a question

relating to the establishment of bilingual districts as recommended by the advisory board. My question relates specifically to areas suggested for reconsideration such as the city of Thompson, Manitoba. If reconsideration is given to these areas suggested by the board, will this be based on the criteria of the Official Languages Act or will additional criteria be taken into consideration?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am afraid I cannot answer the question beyond what I answered a moment ago, that we have 90 days to study this report. I prefer not to hypothesize as to what the government might do. I apologize if I did not understand some subtlety of the question, but unless there is a specific supplementary that is as far as I can go.

Mr. Simpson: Is the Prime Minister in a position at this time to say whether the government is considering any additional criteria to those contained in the Official Languages Act?

Mr. Trudeau: Not to my knowledge, Mr. Speaker. It may be that the Secretary of State has a memorandum which he will submit to cabinet as a result of his study of this report, but as far as I know there are no further criteria at present before the cabinet.

[*Later:*]

[*Translation*]

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I wish to direct to the Prime Minister a question which is supplementary to the one asked by my colleague the member for Churchill.

Why is it that the Commissioner has not considered the province of Ontario as one bilingual district the way he did with the province of Quebec?

Mr. Trudeau: Mr. Speaker, the hon. member knows that it is provided in the act that a Board is to be established in order that the government be relieved from having to make such decisions on a political basis and in order that the Board may consider the problems objectively. The hon. member could perhaps read the report and then find for himself the reason why the result has been as published by the Board.

Mr. Valade: Mr. Speaker, I should like to ask a further supplementary.

Could the Prime Minister tell us whether he intends to take steps in order to protect the rights of French-speaking minorities in Ontario?

Mr. Trudeau: Mr. Speaker, the purpose of the Official Languages Act which was passed by Parliament is precisely to guarantee the linguistic rights of French and English-speaking minorities throughout the country. The hon. member knows that this act provides that this must be done on a practical basis and that for that purpose it is necessary to establish bilingual districts. These bilingual districts will be established in the light of the report of the Board, and I am sure that the hon. member will be invited to express his views at that time.

* * *

[*English*]

FISHERIES

SURVEILLANCE OF EAST COAST FISHING ZONES BY ARMED FORCES' CRAFT

Mr. James A. McGrath (St. John's East): Mr. Speaker, in view of the resolution passed at the recent meeting of the Fisheries Council of Canada calling upon the government to increase its surveillance of our east coast fishing zones, I should like to ask whether in fact surveillance by armed forces' air and surface craft is continuing and whether this surveillance will be kept up during this peak fishing season?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, surveillance is continuing, particularly by Tracker aircraft. In respect of the long-range intention, I hope to be able to speak at some length on this when the white paper is presented to the House.

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GRAIN

WESTERN CANADA—GOVERNMENT LEGISLATIVE PROGRAM—MEANING OF STATEMENT BY MINISTER

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I should like to direct a question to the minister responsible for the Wheat Board. It is based on a news release under today's date from his office. It refers to objections by the opposition to the Liberal government's agricultural legislative program and says that it would cost the western farmers $100 million this year if our opposition continues.

Some hon. Members: Oh, oh!

Mr. McIntosh: I ask the minister to elaborate on this statement by informing the House whether this is a threat of closure in regard to our actions in opposition to the agricultural program, or is it legislation by intimidation?

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URBAN AFFAIRS

FINANCIAL ASSISTANCE FOR MASS TRANSIT

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, in view of the $10 billion program the United States government has initiated in respect of mass transit in urban areas in the United States, can the minister who reports to the House on urban affairs inform the House what, if any, program he has in mind for Canada along this line?

Mr. Robert K. Andras (Minister without Portfolio): Mr. Speaker, any consideration in respect of federal assistance for mass transit would involve many departments of the government, most particularly the Department of Transport. All I can say is that the whole question of urban problems, as I indicated a few minutes ago, including mass transit and many other factors, will be a subject of discussion and consultation and, ultimately, decision. There is no precise legislative program now that directly involves the federal government in financial participation for mass transit.

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THE CANADIAN ECONOMY

FOREIGN OWNERSHIP—POLICY ANNOUNCEMENT SUBSEQUENT TO TAX CHANGES

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, in light of the right hon. gentleman's answer to my question yesterday about the whole matter of foreign ownership and the enunciation of policy, I would be helped if the Prime Minister would say whether it is now the situation that tax reforms, for instance, as part of the budget, will be introduced prior to any policy announcement on foreign ownership?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, that is likely the sequence in which they will be presented to the House.

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TRANSPORT

SPECIAL FREIGHT RATE ASSISTANCE TO MARITIME SHIPPERS TO REPLACE STATUTORY SUBSIDY

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I directed a question to the Minister of Transport on March 26 inquiring whether the government was taking any action on a federal-provincial recommendation in respect of special assistance in the form of subsidies. At that time the parliamentary secretary said the department was considering this and would probably announce something soon. Has a program for special assistance been drawn up and, if so, when will the minister announce it?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I always have difficulty with this kind of question because there is special assistance of one type or another being extended on an ad hoc basis on a more or less day to day basis. In so far as consultations with the provinces are concerned, these are continuing. Within the last two or three days there have been consultations with the province of New Brunswick on one aspect of transport. If the hon. member has some specific form of assistance in which he is interested, I will do my best to answer his inquiry.

Inquiries of the Ministry

FINANCE

STORAGE OF COMPUTER DATA ON ECONOMY IN UNITED STATES DATA BANKS—BANK OF CANADA RECORDS

Mr. John Burton (Regina East): Mr. Speaker, my question is supplementary to one asked as few minutes ago by the hon. member for Spadina concerning the storage of Canadian economic data in computer banks in the United States. Will the Minister of Finance indicate whether his negative answer also applies to Bank of Canada records? If he is unable to answer that question at the moment, will he undertake to ascertain what the situation is in respect of the Bank of Canada?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think the same answer would apply but I will check this out with the Bank of Canada. Perhaps I should extend my earlier answer by saying that data which is public can be stored by anyone anywhere. Data issued by the Dominion Bureau of Statistics, for example, which is published can be stored anywhere by anybody who wants to do so because it is public data.

Mr. Bell: If they are crazy enough.

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TRADE

SUGGESTED SALE OF SWORDFISH TO OTHER COUNTRIES

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member for South Shore asked me a question yesterday in respect of marketing efforts, swordfish and mercury content. My department has studied all major markets for swordfish to determine the possibility of sales. Most European countries have established administrative guidelines setting tolerance levels for mercury content in fish the same as we have in Canada. These levels would effectively prohibit the import of nearly all available supplies of Canadian swordfish. Japan is the world's largest producer of swordfish and is encountering difficulties similar to those which Canada faces.

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AGRICULTURE

FARM PRODUCTS MARKETING BILL—SUGGESTED MEETING BETWEEN PRIME MINISTER AND INTERESTED PARTIES

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to direct a question to the Prime Minister with regard to Bill C-176 and the impasse which he feels has been brought about by the hon. member for Crowfoot. Is he now prepared to sit down and meet with interested parties from across Canada to see whether or not the objectionable parts of the bill can be ironed out and agreement reached?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, a series of meetings have been going on. I know that my parliamentary secretary was at a meeting a few days

ago, which apparently was very successful, with the cattlemen. I myself the day before yesterday received a telegram from the Canadian Federation of Agriculture asking the government to proceed with the bill as quickly as possible. So apparently opinions are divided on this bill. That is usual in Parliament, but we feel that as the division has lasted more than a year perhaps it is time to get on with the business of counting heads.

Mr. Horner: I have a supplementary, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Crowfoot on a supplementary and then we will have just about reached the end of the question period. However, I shall also recognize the hon. member for Broadview.

Mr. Horner: Mr. Speaker, this is a quick supplementary arising out of the reply of the Prime Minister. With regard to counting heads, I wonder if he would now go along with the calling of a by-election in Assiniboia so the heads could be counted?

Mr. Speaker: The hon. member for Broadview.

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HOUSING

SUGGESTED LIFTING OF URBAN RENEWAL FREEZE

Mr. John Gilbert (Broadview): Mr. Speaker, my question is directed to the minister in charge of housing. Has the minister considered the recommendation of the Canadian Federation of Mayors and Municipalities with regard to the necessity of lifting the urban renewal freeze imposed by the government? Was this discussed in Winnipeg at the tri-level meeting and, if so, what steps does the government intend to take?

Hon. Robert K. Andras (Minister without Portfolio): Yes, Mr. Speaker, the recommendations from the brief of the CFMM were considered; it was discussed briefly during their presentation to cabinet a week or two ago. However, it was not discussed in Winnipeg because the Winnipeg meeting, by agreement of all concerned, was to deal with the basic fundamental decision with regard to entering into tri-level consultations and the agenda. Any precise program discussions were by agreement deferred until that precise question was answered.

Mr. Speaker: Orders of the day.

Mr. Ryan: Mr. Speaker, I rise on a point of order. I was the member who was seeking to ask a supplementary and apparently you took it that is was the hon. member for Broadview. I wonder whether under the circumstances I may be permitted to ask a supplementary.

Mr. Speaker: That was not the point. The hon. member for Broadview had been waiting 40 minutes for an opportunity to ask a question, supplementary or otherwise. The hon. member for Spadina had his opportunity, and if he will bear with the Chair and the House he might be given an opportunity to ask more questions and supplementaries on Monday. Orders of the day.

GOVERNMENT ORDERS

PRAIRIE GRAIN STABILIZATION ACT

PROVISION FOR PAYMENTS TO WESTERN CANADA PRODUCERS IN YEARS WHEN RECEIPTS BELOW FIVE-YEAR AVERAGE

The House resumed, from Thursday, May 6, consideration of the motion of Mr. Lang that Bill C-244, respecting the stabilization of prairie grain sale proceeds and to repeal or amend certain related statutes, be read the second time and referred to the Standing Committee on Agriculture.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, last evening in the few minutes I had at my disposal I was beginning to point to the extreme importance attached by this government, as well as by the grain farmers of Canada, to marketing and market development. It was with that priority in mind we established special credit facilities for the Canadian Wheat Board which allowed the Canadian Wheat Board to move into markets such as Brazil, an important market into which we had not been for many years, and into markets like Peru, Syria and the Philippines in order to make sales of grain and to develop new customers for the over-all good of the grain industry.

It was also because of this that we emphasized continually the need to be competitive internationally and the need for Canadian farmers to concentrate on the possibilities which exist in the coarse grains market and in particular, because of the nature of the Canadian production at the moment, on the barley market. It has been our view that this is a market which should grow for us in the international field. We have been talking to farmers about growing barley. This would enable the Wheat Board to go after our potential share of this market. It was also because of our belief that marketing is so important that a fundamental part of our present program included the setting aside on an annual basis of $10 million for a market development fund, which would allow us to pursue in a most flexible way the encouragement of new customers to look to Canadian grains. It would allow us to look to research into new products and development of better products for the markets, and to assist in a variety of techniques for gaining a Canadian foothold in markets which may not be available to us at the moment or available on only a limited basis.

The market development fund of course is new. Before very long, however, I expect the first announcement to be made of the use of this fund in creating new marketing opportunities. Of course, the emphasis on marketing comes at a time when sales have been going very well. Last July, in an attempt to give farmers a better idea of the year ahead, I was able to forecast the very real

possibility that our exports this year of all grains would reach a record total and would surpass the 685 million bushel level of many years ago. It continues to be very likely indeed that we will set this record, and that our exports may reach the 700 million bushel figure. At the present time, exports are running at a very good rate and stand well above the levels of a year ago. As of April 21, the total exports of grains stood at 430.9 million bushels compared to 267.1 million bushels a year ago. But, of course, in terms of the present year the important facts are the marketing program ahead.

The Canadian Wheat Board, with the co-operation of the railways and the elevator companies, particularly the terminals, has worked out a program which may well set a record both at Vancouver and at Thunder Bay in the course of the remaining months of this crop year. The block system is allowing a quick and efficient movement of grain when it is not impeded, of course, by forces over which we have little or no control. The delay in the opening of the seaway, one of the latest years on record, again has caused some concern in respect of our eastern program. But the Wheat Board is still confident that with the full co-operation which they have come to expect from the various agencies, 250 million bushels of grain will be moved from Thunder Bay to eastern destinations in the balance of the crop year.

• (12 noon)

This movement would be an all time record and would compare with the previous record of 221.8 million bushels which was established in the 1966 shipping season. This marketing has, of course, depended upon a sound movement of wheat and a record movement of barley as a result of our determination to be in this market, and also because of a very good movement of that new crop which has become such a successful contributor to income on the Prairies, the rapeseed crop. The record production is moving efficiently into market, and I pay tribute to all those who participate in making this market work so well.

While I emphasize the marketing aspects of our program, the fact that this year is an improved year, and that we will continue to strive for increased deliveries of grain into the markets of the world, the fact remains that there are strong forces at work which will create instability in our Canadian grains income in some situations unless measures like those before the House are put into effect.

The historic situation in regard to our marketing record shows why we must expect instability in grain income in Canada. World trade in grain is volatile. It is not at all unusual to see changes of 20 per cent or even close to 40 per cent in the amount of grain traded in the world, even in wheat alone in a given year. When one, for instance, looks at the figures for 1965-1966, one sees 2,298 million bushels of wheat traded in the world. Two years later, in 1967-1968, this figure had gone down in two stages to 1,876 million and one year later to 1,638 million bushels, a fantastic proportionate drop of 600 million bushels, or over a quarter of the total traded in 1965-66.

In that volatile market, of course, Canada's stake is very large. We would expect again to be at levels in the order of 23 per cent of the wheat traded in the world this year, and we tended to be there except for those two very difficult years when we tried, with the full support of the producers, to maintain prices at the levels indicated by the then new International Grains Arrangement.

Not only is our share of this market large, but the important thing is that the income of our grain producers is dependent upon our export trade. Here again, only one or two other nations come close to Canada in the extent to which export trade in grain dominates the grain picture. This has always been true for wheat, or as long as we have been significant wheat producers. It is not at all unusual for us to see five or six times as much grain being traded into the export market as can be utilized at home. This means, of course, that the volatility in the export market, the ups and downs in export, will mean serious ups and downs in the income of our grain producers. This has been more true of wheat than of barley, but as we move in our determination to an export barley market of magnitude, the same factors will tend to exist in that market as well, although it is true that that market is somewhat less volatile than the wheat market.

It is also true that with our growing interest in rapeseed, we will be dependent again upon the export market and subject to the ups and downs which may exist there in regard to rapeseed. There is no doubt that the diversifying of our exports from wheat, as it was in the past, to wheat, barley and rapeseed in the future may have some effect in improving our stability. But the instability will tend to exist, as the historic pattern shows. There is no secret about the logic as to why this should be. If you put together good crop conditions in the most important producing countries in the world, the trade in grain will change very remarkably as compared with another year where poor conditions may occur in those countries. In these circumstances, our grain trade will swing up and down remarkably from the good year to the bad year.

In the past we have basically had only two mechanisms for dealing with this instability in our export trade, and both of them were very limited in their availability. The first, which came to be used from time to time, was the pulling of grain into the elevator system beyond what might be required for commercial reasons and beyond what made sense from a real cost point of view. But in the desperate situation in which grain farmers found themselves over those years, this was a technique which was used. It had some seriously bad effects in that it impeded the efficient operation of our grain handling system which became storage conscious, and indeed so full of grain that it was not able to handle grain at maximum efficiency.

The Temporary Wheat Reserves Act which was brought in as a method of offsetting some costs in the agricultural community in the grain sector and which, when C. D. Howe was speaking about the legislation was referred to as, in his view, a better solution than a two price system as a means of obtaining money for the grain farmer, turned out over the years to accentuate the move toward putting grain into the system, whether or not it

was required from a commercial point of view. This re-emphasized the tendency of having a full grain system which meant that grain could not be handled effectively, and it had the additional unfortunate effect that as the years went by it became more and more doubtful whether any of the good from the Temporary Wheat Reserves Act was being passed on to the farmer because more storage space was simply being built to make use of the greater amount of money which might be paid out under the act. It is true of course that at present our storage system is perhaps still more full of grain than one might like.

There have been some comments in recent days about the amount of grain in storage, with the emphasis on wheat. But the fact of the matter is that the total amount of grain in the country elevators is not much lower than it was a year ago. On April 1, the figures showed 307 million bushels of grain in the country elevators compared with 312.1 million bushels the year before. The mix of grain was different, reflecting the new position of barley and rapeseed, and indeed even the good marketing conditions for Durum and flax in this particular year.

• (12:10 p.m.)

Wheat storage was down by 50 million bushels, but the other grains were up by 45 million bushels in total. In these circumstances, we may well want to see some further reduction of the amount of grain in storage because the point that has to be made is that grain in commercial storage is often grain in an expensive position. Some figures by the Canadian Wheat Board on the cost in 1968-69 compared with 1969-70, of handling and storing barley are very instructive in this regard. In 1968-69 producers had delivered to the Wheat Board 75,317,000 bushels of barley. In 1969-70 they delivered over twice that amount, 163,447,113 bushels of barley.

In 1968-69 the total costs of storage and handling, including the interest rates and all the administrative charges of the Wheat Board for the handling of barley added up to $7,933,000. In 1969-70 when more than twice as much barley was taken into the system and put through the system, the cost of handling, storing and administering that barley was actually a smaller amount in total dollars than in 1968-69. The total was $7,449,583. This meant, on a comparative basis, on a per bushel basis the 1968-69 cost per bushel of barley was 10.53 cents, whereas in 1969-70 it was 4.55 cents, almost 6 cents lower as a dead weight cost, gained by the better proportion of through-put to storing the barley in the subsequent year.

This meant that there was available to the farmer in the second of those two years 6 cents more per bushel on every bushel of barley he delivered to the Wheat Board in that crop year. This is what has led the Board to conclude it should not, in the farmers' interest, carry too much wheat. But of course this was not a very effective method of stabilization in any case, because once the system was plugged, and it tended to be plugged prior to August 1, it was not possible in another year to fill the system because the farmers' income situation was particularly bad. So, the only other technique available was the one which was used particularly in the last crop year, and that was to make use of the cash advances system to allow the farmer to take more in advances than he would be able to repay in deliveries during the course of that year. This, as a way of getting cash into the farmers' hands, was in fact a tremendous help in the 1969-70 crop year, but of course the system of loans had its limitations, and indeed its difficulties from the point of view of the individual farmer.

We very much believe that the cash advances system still has an important purpose, but not by way of stabilizing income because we propose a different form of stabilization. The purpose, however, will continue to be one of obtaining cash for a farmer when delivery opportunities are not available. We foresee this happening less often because, as we see the system working now, we would hope it would not be plugged with grain as of August 1, and that grain deliveries during the harvest period, direct to the elevator, may be known again on our prairie farms.

What we propose to do, however, is to introduce through this bill a stabilization plan. This stabilization plan is effectively intended to make use of the kind of money which the government might otherwise in the past have paid out under the Temporary Wheat Reserves Act, although indeed it will involve more money from the government than would likely have been involved in the future under the Temporary Wheat Reserves Act because of the intention and the necessity to maintain less wheat in the systems, and particularly on any August 1.

The stabilization plan is designed to obtain from the producer, on the basis of his marketing of the six principal grains, 2 per cent of their marketed value, and to match that amount with a 4 per cent payment by the government. The bill proposes in fact that particular formula for a five year period, subject to a review then to see how the fund itself is operating, but it does enshrine the principle that for every dollar going into the stabilization fund from the farmer $2 will go in from the federal treasury.

Because we have an alternative method for payment, or basing the payment on 90 per cent of marketings, the federal payment in any one year may be more than that. This really means, on the basis of the history of the past and on the projections of the likely stability in the future, payments to the farmer will tend to bring back to him $3 for every dollar he puts into the fund. In the first five years this will tend to assure, in other words, that whatever is the over-all level of grain income on the farms, the stabilization fund will mean that the farmers' income will be at 104 per cent, the 100 per cent from marketings, and the 4 per cent from the treasury, of what it otherwise would have been.

It is true we expect, as I have indicated, that our marketing thrust will tend to mean a rising level over a long period of time of gross receipts for grain. This means that the sales levels will generally be moving in an upward direction, as indeed they have in the past long period of time. But in that upward rising line of sales levels, history and logic teach us that there will be dips,

serious drops to lower levels than a previous plateau. This is why we propose the payments out of the fund will be made in each year when the total receipts from those six principal grains in the prairie region fall below the previous five year average.

Now, I may rush to say that in any year where it is exactly 99 per cent, or closer to 100 per cent than that—

Mr. Korchinski: Dabbling in decimals.

Mr. Lang: —it is proposed that no payment be made. But in any year when the gross receipts are below 99 per cent, a payment will be made out of the fund to bring the producers' gross receipts up to 100 per cent of the average of the previous five years' gross receipts.

Mr. Korchinski: Dabbling in decimals.

Mr. Speaker: Order, please. The minister should be allowed to make his speech, and it seems to the Chair it would be difficult for him to make his speech with this kind of interruption.

Mr. Lang: Thank you, Mr. Speaker. The five year average was selected essentially as a measure of a recent record of grain receipts in the prairie region. There is no particular magic about a five-year figure, but it seems to me to be the best judgment between taking too short a period, in which case the ups and downs might be too severe, or taking too long a period, in which case the earlier years, which on the whole tend to be lower years in total grain receipts and would have too much adverse effect on the basis on which we operate.

• (12:20 p.m.)

The payments out to producers are proposed to be made on the basis of the producer's own recent participation in the market, that is to say, the payments out are to be made to producers basically in proportion to their recent share of the market. Again, as a judgment on what that recent share is, we propose after the fund has been operated for three years, to use the current year and the two preceding years as the best guide to what recent marketings are. We chose the three-year figure as a balance between taking the current year figure as the most accurate reflection in one sense of a person's place in the market, which could have many ups and downs, and a longer period than three years which might have carried forward into the scheme too many factors which no longer exist in his producing picture.

We did not want to add a factor which would in any way discourage the need for a farmer to make the best possible decision about what to plant, about how to farm, in order to maximize in an ordinary year his marketing opportunities. Initially, we propose to put into the plan the $15,000 limit. This is referred to in the bill in terms of a figure which ordinarily will maintain within the plan approximately 90 per cent of the total receipts in the prairie region. It is anticipated that as need arises, the $15,000 limit which will be proposed for the first year will be adjusted to keep approximately 90 per cent of the total receipts within the plan.

Essentially, what we are saying to them is that those grain receipts produced by farmers on farms larger than a $15,000 delivery need not attract the treasury support which is contained in the stabilization plan. In other words, we are really saying that while we are delighted to see the treasury money, government money, going to the assistance of the income levels of farmers up to a certain size, and even to the operators of large farms up to that size, we do not propose that that same government money should go in a way which might encourage the farmers to grow more than may be required from the point of view from a basic, effective and efficient operation.

This leads me to say how much this emphasizes this government's real belief in the desirability of maintaining farming as a viable and effective way of life. It is very true that it is our belief that we should try to assure that the total system, where the government has any control, should be made as effective as possible to maximize returns to those involved in farming. I want to state, as a fundamental matter of our philosophy, that we do not in any way have the view that anyone should be made to move off a farm if he chooses to live on it. I want to state that most categorically, and I hope all members opposite will remember this firm statement of our view. The decision about how many people want to farm is essentially to be made by the people involved in farming.

I think it important and I urge hon. members opposite to give up their constant reference to some malicious intention on the part of the government.

An hon. Member: That is pretty cheap politics.

Mr. Lang: I urge them to give this up because, not only is it cheap politics as my colleague says, but it is calculated to increase the despair and hopelessness in any group of farmers who know what their difficulties are well enough. I urge the opposition to recognize, as we do, that we should try to offer alternatives and opportunities to farmers in difficulty. We must offer to those who want to stay with farming the means to become more viable if their units are too small or where their need is for capital investment in order to diversify. We must also offer to those who want to leave farming, decent opportunities and information about what may be available elsewhere. I want to emphasize to hon. members, and the people of Canada, our belief that the men and women who want to continue to live on farms and raise their families there will do so with our assistance to make them more effective and efficient and with our assistance to put the whole matter of handling and transportation as well as the rest of the system as it pertains to them into the best possible shape.

In the bill before us there is a section dealing with a transitional payment which is related to the fact that in this Act we are proposing the repeal, for this crop year, the Temporary Wheat Reserves Act and the government's obligation under it and the fact that the stabilization fund is not yet in effect. In our earliest proposals there was the implication that we might try to treat this

year as though the stabilization fund were in effect for the purposes of payout. In the long and fruitful discussions we had with farm organizations, and their leaders, however, we came to the conclusion that it would be better not to try to tie the payout to the stabilization fund formula this year. For one thing, the figures would not be available in time or in full, and for another it seemed possible this year to allow the payout to go not only to those farmers who had been marketing their full share but to those who had experienced special difficulties and, therefore, had not participated in the market as fully. It would be wrong to tie that kind of feature into a future scheme because of the way it might interfere with marketing judgments and decisions, but for this year it was possible. Here again, we believe it was right, in looking at eligible permit holders, to limit the number of acres upon which payment could be obtained to 640 acres per permit holder. This reflects not a scientific judgment about the size of a grain operation but a ball park figure which comprehends the wide range of sizes in the prairie region and is a figure related to the grain industry rather than those operations which are essentially involved in other agricultural products.

We propose that the payout be based on eligible acres, those acres in the six principal grains and in summer fallow. It would also include, however, those acres in new forage crops added last year because of the special encouragements in existence then. It would be unfair to declare those acres ineligible now. Essentially, the acres eligible are those acres which are related to the grain production involved in the stabilization fund of the future. On this basis, as soon as the legislation has received Royal Assent, we hope to issue cheques to all permit holders who had their permit books prior to March 1. We estimate at this time that the per acre payment may be $1.40 per acre eligible. This will result in an important infusion of cash into the prairie scene. I say this because, although grain deliveries have been moving at a much better rate this year than last, and even after allowing for the repayment of cash advances and the fact that the cash flow situation at this point of time is better than it has been on the prairies and will be much better in the remaining three months, there is still a serious backlog of cash deficiencies on the Prairies as a result of difficulties of past years.

• (12:30 p.m.)

The important thing that we see in the bill, however, is what it plans for the future. Under these plans a farmer will know that whatever may come to him in any year as a result of marketing conditions in that year, his income will not fall drastically; that, so long as he is participating in an average way with other farmers in that marketing, he will in those difficult years receive a payment from the fund which will bring his income up, along with that of others, to that level represented by the total five-year average of gross receipts from grain. Although we call this a stabilization plan, it is important to know that, really, it will stabilize matters in bad years by wiping out the low point. It will not destroy the high points which can still come about. Very good years of marketing will still bring extremely good returns for the grain producer. It is the low points which are to be removed.

It was felt possible, in connection with this legislation, to repeal the Prairie Farm Assistance Act over a three year period. We shall propose phasing out the 1 per cent contribution under PFAA, beginning with the 1971-72 crop year. Benefits under PFAA will still be available in that crop year and in the following year, as well as in those years in which crop insurance is not available.

It is our hope and for sometime has been our hope, that the very useful federally supported crop insurance plans will be more and more extended through provincial action to all parts of the prairie region. We see this legislation as another important part in our total plan to put agriculture on the Prairies into a better position. I urge hon. members to help in the passing of this legislation and to see that it becomes law, so that on the earliest possible date the cash payments involved may be made. Mr. Speaker, I am most pleased to move the second reading of this bill and its referral to the Standing Committee on Agriculture.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I listened carefully to the minister's remarks about this bill. Contrary to what I said the other day, I think notice may now be sent to Mr. Thatcher that he can call an election. I understand that $100 million is up for grabs.

One ought not to be disillusioned too readily. Nevertheless, the amount of money to be paid out is not nearly as great as the government tries to pretend. This legislation is really a mirage in the making, or the result of excessive imagination. It is the result of the government's hallucinations. This government is capable of imagining things that are not correct. It suggests that it really wants to save an industry. I wonder. I remember what former Prime Minister Pearson once said. He said, "You know, when you have a half rotten egg, it is hard to know what part to discard? Which part of it do you discard?". That is precisely what this legislation is like. It is typical of the sort of legislation this government has brought before this House. This legislation is half rotten or half-baked and is typical of the legislation this government has presented to this House.

Mr. Pepin: And that is a half-baked argument.

Mr. Korchinski: The point is that the appropriate message ought to be sent to Mr. Thatcher. Although I referred to the possibility of a grant concerning a pulp-mill, I think the government was actually trying to get out of a difficulty as a result of the controversy over Bill C-176 and other measures which have been brought forward.

Mr. Pepin: Good Lord, what an argument.

Mr. Korchinski: So, we find ourselves in this situation: the government is trying to buy votes on the Prairies, one by one.

Some hon. Members: Shame.

Mr. Pepin: Good Lord, what a thing to say.

Mr. Korchinski: On the basis of my contact with farmers in western Canada, I am able to say that farmers have enough intelligence to read between the lines. I do not think they will be bought by legislation like this.

Mr. McBride: Clearly, the hon. member does not want farmers to be helped. Why does he not visit my riding in Ontario?

Mr. Korchinski: I heard my preacher friend across the way asking why I do not visit Ontario. I suggest that he might do well to listen to my remarks. I say that the government is paying out conscience money. That is all that this is, conscience money. According to Mr. Atkinson—

An hon. Member: You don't know the western farmer, Stan.

Mr. Korchinski: —and others who are in a position to make these observations, in the last two years western farmers have lost as much as $500 million as a result of government policies. The answer to question 1,020 in my name on the order paper suggests that the amount in question is over $600 million. In other words, that is the amount of the gross shortage in western Canada and the government is trying to make it up by paying $100 million to our farmers. I do not think for one moment that, in view of these losses, payment of this conscience money will remedy the situation in western Canada. I suggest that although Mr. Thatcher may call an election with the help of his blood brothers who will go to his province with salves and ointments, so to speak, to heal wounds, the situation will not be remedied. This legislation is a salve; it is not salvation.

Mr. McBride: The hon. member is trying to give us hell and needs salvation.

Mr. Korchinski: It is a salve. It is conscience money. That is the essence of the bill.

Mr. McBride: Nonsense.

Mr. Korchinski: If you take the $100 million out of the bill, what have you left?

An hon. Member: Stabilized poverty.

Mr. Korchinski: As my hon. friend says, we shall have stabilized poverty.

Mr. McBride: The hon. member is afraid of being helped.

Mr. Korchinski: If, for example, we had three years of depressed prices—

Mr. Boulanger: If!

• (12:40 p.m.)

Mr. Korchinski: We have had for the past three years. If the hon. member looks at the reply to my question 1020, he will see that it is not a question of "if"; it is a fact. I will quote the prices.

Mr. Boulanger: Do you have them?

Mr. Korchinski: The government whip does not think I have the figures. I will give him the figures. I have the figures for the equivalent receipts in each cash year from 1956-57 to 1967-68. In 1967-68, the figure was $1,092 million. In 1968-69, it was $744 million. There is another figure of $769 million. Those were the total cash receipts for all grains, including all those in the stabilization program. If the hon. member would study these figures for two days, he would understand the impact of what I am saying.

If you have a series of three years in which the government has to contribute toward the stabilization fund, for the next three years, regardless of whether there are great sales or not, you know what will happen. You will still be in abject poverty. That is what the government is stabilizing.

An hon. Member: Poverty.

Mr. Korchinski: The government is stabilizing poverty because they want to maintain the farmers at a normal level. It is typical Liberal philosophy.

Mr. McBride: Cheap politics.

Mr. Korchinski: If it is typical Liberal philosophy, it is cheap politics. The hon. member admits that. I did not say it, he did. It is typical Liberal philosophy to maintain stability providing everyone is in abject poverty. Try to apply that philosophy to capital gains. What is the government trying to do?

Mr. McBride: That is nonsense.

Mr. Korchinski: I agree with the hon. member that it is nonsense, but so is this bill. All the government is trying to do is keep everyone at a minimum level.

Mr. Paproski: They want to stabilize that by-election in Assiniboia.

Mr. Korchinski: Many aspects of this bill are objectionable. I will try to explain these objectionable features in terms that even a Liberal member can understand.

Mr. McBride: We won't understand it after you explain it.

Mr. Korchinski: If the three year average is lower, then you take money from the consolidated revenue fund to maintain the average. It is not like it used to be. The wheat pool formerly received money from the federal government which it paid to the farmers. This will no longer be the case. The payment is going to be stabilized. In other words, it will be necessary to borrow money from the federal government and pay interest to the government. This is what we talked about when debating the other bill.

If you have three successive years of tough luck, you sell at a lower price. This is what happened in the past few years. All you have to do then is pay for it in the next three years. Even if you have an opportunity to sell at a better price, you have to repay your loan first. This is exactly what is meant by abject poverty. Stabilized poverty is probably a better term. This is where we are

heading under this bill. Stabilization of what? Stabilization of poverty.

Mr. Boulanger: You have said that four times.

Mr. Paproski: Stick around and he will say it four more times.

Mr. McBride: This is nonsense.

Mr. Korchinski: This is a very stupid bill.

Some hon. Members: Oh, oh.

Mr. Korchinski: I will keep repeating that statement until it sinks in with the Liberal members. Do members opposite know what this bill does? You have an average for the past three years. I ask members to apply that to their own salaries. How do they get off with that? All I am saying is—

Mr. Boulanger: Speak to the bill.

Mr. Korchinski: I will speak to the bill. I suggest that members opposite apply this principle to their own conditions to see how they make out with it.

Mr. Boulanger: You poor western farmer.

Mr. Korchinski: The cost of production, fuel, taxes, owning a tractor and depreciation, all keep going up. Although the cost of producing the commodity goes up, the government is trying to stabilize the income and keep it on an even keel. The cost of production keeps going up while the level of income remains constant. This is what this bill guarantees. What kind of guarantee is this? This is not stability.

Mr. McBride: Nonsense.

Mr. Speaker: Order, please. When the minister spoke earlier today, he was being interrupted. I thought it was my duty to bring to the attention of hon. members that the minister should be given an opportunity to make his speech. Members on both sides thought that was a good suggestion. I think the suggestion applies equally to the hon. member for Mackenzie, and he should be given an opportunity to make his speech freely without interruption.

Mr. Korchinski: Thank you, Mr. Speaker. I did not think I was having any difficulty. Interruptions are most welcome because they are really inspirations.

Mr. Boulanger: They are the best part of the speech.

Mr. Korchinski: The income is to be stabilized and maintained for a period of years. Who in this country would accept the principle that he should maintain a stabilized income? No industry, union or anyone else will accept that principle, yet this government, through this minister who projects the image that he does, intends to sell it in Assiniboia and other parts of Saskatchewan. The government has to tell these people that the costs of production have not increased. I suggest they check with Mr. Thatcher because he raised the price of fuel by 2 cents one year ago.

[Mr. Korchinski.]

The Minister of Labour (Mr. Mackasey) intends to increase the minimum wage. How can the government rationalize the fact that the cost of production is increasing, yet the level of income is to be stabilized? That is not the point. What you have to do is consider the gross returns after considering the expenses. It is very easy to figure this out. If they had figured it out on that basis, because, you know, what do you call it—what is the term, now?

• (12:50 p.m.)

Mr. Knowles (Winnipeg North Centre): Net social benefit.

Mr. Korchinski: Net social benefit, that's it. I am having trouble with new terms.

Mr. Knowles (Winnipeg North Centre): That's all it is, just a new term.

Mr. Korchinski: It is a new term. They figure out the total cost of producing a bushel of grain, and so on. I know these are factors that can be figured out. In the end, you can see an incline in the graph, and if this were the type of scale the minister worked on it would be readily accepted by me and I think by members of my party.

I wish to go on to another aspect of the bill. It has been said that PFAA does not really matter too much in the over-all agricultural picture in western Canada. True, there are many people in my area who would say: Fair game; we paid into the thing but we are not so willing to fight to maintain it. Yet between 1939 and 1969, the amount the federal government contributed to the farmers was something like $176 million in excess of what the farmers themselves had contributed. This may not represent an important part of the economy, yet $176 million over a period of some 30 years amounts to about $6 million a year on an average. In some years there was a greater contribution and in others it was less. The point is that the government was committed to a contribution of this type.

There are many areas in my province which are not covered by crop insurance. Crop insurance will eventually bring some benefit to those who pay for it. The point is that farmers have been contributors over the years and this in itself has meant the syphoning off of a lot of money from these people, money which is not readily available. In order to be in a position to benefit from a crop insurance program, one has to pay a certain amount of money into it. Money has to be taken out of circulation and paid into a fund.

I have some figures here which might interest hon. members. Three-quarters of the amounts are paid by the farmers and the other quarter by the federal government. In 1968, the average premium paid by farmers in the three prairie provinces was as follows: In Saskatchewan, $200; in Alberta, $295; and in Manitoba, $214. In 1969, the average amount in Manitoba was $177. In Saskatchewan, it was $157 and in Alberta it was $260. We can readily see what has happened. As soon as a bad years is experienced the farmers begin to withdraw from

this program. A lot of people may say there is no benefit to be gained from PFAA. It seems there are certain pockets, certain areas, where people do not take out crop insurance. Most of the people concerned are farmers with small farms. They will either have to enter into a crop insurance program or do without any coverage at all. Saskatchewan does not provide for full coverage, anyway. This is where the minister is remiss. The Minister of Agriculture (Mr. Olson) has not insisted on full coverage being provided for the entire province.

What will happen to all those people who were inspectors under PFAA, you know, those patrons of the Liberal party who were inspectors? A place for them will have to be found somewhere else. There is a place for them. They do not need to worry. They will become inspectors of the feed mills.

An hon. Member: They are all waiting for Lift.

Mr. Korchinski: They will be inspecting the feed mills because this is exactly what the minister intends in later legislation. They will become a little more sophisticated. No doubt they will require an increase in salary because they will need to carry sophisticated documents, and so on.

Mr. Speaker: Order. I regret to interrupt the hon. member but it being one o'clock I do now leave the chair.

At one o'clock the House took recess.

• (2:00 p.m.)

AFTER RECESS

The House resumed at 2 p.m.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in rising to speak on this important bill I should like to point out that it will have an underwriting effect on the economy of western farmers for many decades. I am disappointed that the $100 million was not kept separate from the total grains stabilization program. There is an urgent necessity to make this money available to the farmers. This $100 million could have been disbursed before the passing of this complicated and far-reaching piece of legislation to establish a stabilization program.

We must scrutinize this stabilization program carefully in order to improve on it. We must watch very closely the administration and its methods of putting this money into the hands of the farmers. It is not yet clear whether the right formula has been devised in respect of producer and government contributions. We do not as yet know whether the pools should be reimbursed as a result of losses on barley and wheat in any crop year.

In his opening statement, the minister emphasized what had been done to increase grain sales and improve the farm economy. A close scrutiny of this government's policy in the past will indicate that Canadian wheat producers experienced a disaster in the 1968-69 crop year. The actual figures do not give an accurate picture of the situation because they are based on sales of grain which had been stored from the previous crop year. The fact that this grain was sold in the 1968-69 crop year makes it impossible to obtain a clear set of figures for that year.

Canada sold approximately 27 million bushels of barley from the 1968-69 crop year. This is an extremely small amount and most of it went to the malting trade. That trade varies only slightly from year to year. The genial Minister of Industry, Trade and Commerce (Mr. Pepin) at that time was in charge of the Wheat Board. I asked him about the Japanese market for barley and why it had been taken over by France. The Canadian Wheat Board was holding our barley at approximately $1.00 per bushet while the French were underselling our wheat. All that was admitted was that the Wheat Board and the Canadian government were protesting to the French that they were undercutting us in our markets and this was not according to Hoyle. Nothing came of this.

• (2:10 p.m.)

But in September 1969, the Wheat Board suddenly and without warning dropped the price of barley 23 cents in one day. It went down to 78 cents or 79 cents. This was an extremely large drop and was contrary to the rules of selling whereby if you must reduce your price you reduce it a nickel at a time in the hope that you will be able to save some sales on the way down. Subsequently, we have been able to sell barley, but in the spring of 1970 it was sold at an extremely low price, unfortunately, perhaps because the Wheat Board panicked. One cannot fault the board too much for this because it could not foresee that the United States corn crop would be suffering from blight and that the loss of corn would be substantial. Also, the rise in the price of feed grain was unforeseen. The Italians, who seem to be the early buyers of barley noted that feed grain would be in short supply, so they made sharp sales. They were thus able to accumulate a considerable profit and at the same time obtain a large supply of Canadian barley at a greatly reduced price. Since then, there seems to have been some attempt to recoup this loss by increasing the price in the eastern market or our own country.

Now, what has the government done for the grains industry in this current crop year? First of all, the floating of the Canadian dollar last May has meant an almost nine per cent discount in the price of all grains sold for export. This amounts to a loss of approximately $90 million. The Wheat Board, in its own statement, states that it had to reduce the price six cents to eight cents in one day with further drops as the Canadian dollar rose higher. This has had to be absorbed by the grain trade and in the final analysis the farmer will receive $90 million less than he might have had the Canadian dollar remained at its original level. The Minister of Finance (Mr. Benson), during the discussion of the floating of the dollar, suggested that industries severely affected would be compensated and efforts made to improve their position. So far nothing has been done for the grain trade unless one could consider the $100 million stabilization fund to be an effort in that direction. However, in practice that amount will only meet what the grains industry has lost in the past year by the rise in the exchange value of the Canadian dollar. As well, the Canadian

government, by phasing out the $70 million or so that was paid out of the wheat reserves fund, is saving that amount of money.

To some extent I am in agreement with the phasing out of the Wheat Rserves Act, but I believe if the money is to be used for subsidies it could be used in a better manner. While the original purpose of the Wheat Reserves Act was good, it did become clouded through becoming involved in a storage problem. None the less, I should like to point out that the wheat reserves fund represents a large amount of money that the Wheat Board paid to wheat growers at the time the wheat was delivered and, in effect, represents a part payment in that the farmer would be paid for grain before it was sold. So, the government really is not giving $100 million. It is hardly recouping the farmer for the losses suffered due to the rise in the value of the Canadian dollar alone.

Then, we have the Lift program which was touted as an effective way to reduce the amount of wheat grown and in storage. There is no doubt it did reduce the amount of wheat. It was touted in the eastern papers that it would cost about $125 million. In fact, however, I believe the figure is somewhere in the order of $65 million. The result is that we have 10 or 15 acres per farm more in summer-fallow than ever before in western Canada. I must give the minister credit for introducing a new word to describe a certain type of summer-fallow. One does not often have an opportunity to introduce a new word into the vocabulary. I suppose in a normal crop year one may have ten to 20 acres more of stubble crop. The question, however, is whether this land will eventually produce a better crop.

What is the outlook in so far as selling Canadian wheat is concerned? If we study the picture, almost 60 per cent of our sales are to Communist countries or state-directed countries. These countries generally take our lower priced grain because their standards of living are low. They are dependent on aid programs and on long-term credit. As taxpayers, I am sure most of us are happy to extend these long-term credits and I do not find fault with this. I would point out, however, that these are somewhat artificial in application. The United Kingdom, Japan, Germany and so on have accounted for slightly more than half of our sales of wheat. This is quite a depressing picture. We are slowly losing out and may lose out very rapidly. For instance, we were able to sell approximately 36 million bushels to Japan, yet the United States has been able to capture sales of 100 million bushels and they have an inferior product to ours. So, in our assessment of wheat sales we find that the increase is largely the result of aid sales and credit sales, so we are not doing all that well in the traditional markets which can afford to pay for our higher quality grain.

Now, what about our barley sales? At the present time barley prices are very low. We are not selling as much barley for future commitment. Indications are that if Canadian farmers plant 15 million bushels of barley this year, with a possible yield of 50 bushels per acre which is not uncommon, we could end up with more barley than we know what to do with. The blight problem with the United States corn crop does not seem to be as great now as originally indicated. Also, chemicals are now available to treat the corn in order to lower the incidence of blight, so we can expect to find increased competition from corn for our barley and other feed grains. The outlook for barley, therefore, is not all that rosy. The price for barley will certainly be low even if it moves in volume.

• (2:20 p.m.)

Finally, speaking of rapeseed, which has been an extremely good crop this past year, since the advent of the amendment to the Wheat Board Act by which the minister suggests that rapeseed, along with flax and rye, be put under the Wheat Board, there has been a drop in price from 45 to 50 cents. The activity on the exchange in the area where rapeseed is presently being sold is almost nil. Although the minister assured us that he has no intention at this time of putting rapeseed under the Wheat Board Act, there seems to be a substantial fear that he might, and at present it is upsetting the trade. I hope that before rapeseed is put under the Wheat Board, representations from farmers will be heard and there will be good discussions with the producers, the marketing people, and so on, to ensure that this move is advantageous to the Canadian rapeseed industry as a whole. We cannot allow this most promising crop, of which farmers expect 500 million bushels a year although this may be too great an expectation, to be mishandled.

Turning to the income plan promoted in the grain stabilization program, I should like to point out at the onset that 2 per cent of the gross receipts, although it may not seem high at first glance, is a relatively high amount to be deducted. Therefore, if this program is to function we hope that the payout will be adequate and will be channelled in such a manner that the producers will gain from it. When one considers that it is estimated that the net income of a farmer is only 15 per cent of his gross, 2 per cent of the gross income is a great deal of money. Like all businesses, farming in particular is run on a very narrow margin, so the commitment to deduct 2 per cent for every 4 per cent which the government puts in, has its advantage. It certainly indicates, however, that the producer will be carrying a large part of the burden.

What about the payout? It is with regard to the payout in the plan that I have most misgivings. First of all, payments are not to be made on the basis of an individual's loss but rather are to be based on the loss in the whole designated region, that is the prairie region, as against the practice in the past five years. Although perhaps people in other parts of Canada may regard the Prairies as one region, in practice they are three rather distinct provinces. My own province of Manitoba is considerably different from the other Prairie provinces. It's farm and grain economy differs from the Saskatchewan wheat district. It might happen that the province of Manitoba might experience a crop failure or a drop in sales but it would not receive any payment because the other two provinces may have a larger than normal sale of grain. Even though they might experience a crop failure but are able to sell wheat in storage that particu-

lar year, they would not be entitled to a payment under the plan. The payment is not even to be made on a regional basis. The plan might have something to commend it if the payment were to be made on a regional basis.

Under the previous plan as well as under PFAA, payments would be made on the basis of the need of an individual person. I suggest that the minister look at the possibility of making payments to crop districts into which areas are divided. Then, he might consider an equal distribution of payment to individual farmers. At least in that way, although a farmer in a certain area might have a good crop, the crop district as a whole would receive a payment if a crop that year were generally poor. In fact, the only way in which the plan could function fairly would be if the individual producer could receive a payment according to the condition of his crop, even though the whole area had a good crop that year and there were no general payout.

This is a blunderbuss type of payout. Under this legislation, payments will be made to farmers who do not need it and who may well have had the best year of their farming lives, while no payments will be made to individuals or areas which have experienced crop losses. Even if a whole province had little to sell that year, it still might not meet the qualifications for a general pay out.

As I understand the intention of the minister in this legislation, a farmer who in the third year has guessed right so far as the market is concerned and has sold more than an average crop will be rewarded, and this would make agriculture more efficient. There may be something to be said for this, but I think the plan is too nebulous and farming is still too variable. It cannot be refined to this extent. The receipt of a payment would depend too much on the luck of the draw. It seems to me that under this program payments will not be made to those who need or deserve assistance.

It is obvious that the grain stabilization plan is in no sense a crop insurance plan. It is purely a general income plan whereby when the income in a whole area drops, money will be put into the area according to a certain formula. I believe that this plan is not sufficiently refined to be adequate. Since considerable money will be paid out, I hope that some thought will be given to improving the plan so that when an individual farmer receives a payment his needs will be more related to the payment. The minister in his statement suggested that the government policy was designed to keep small scale farmers on the farm. In speaking to this very point, I should like to quote in part an editorial which appeared in the Winnipeg *Free Press* entitled "Otto-Man Empire". I reads:

> The admitted objective of Bill C-176 is to depopulate farms at the lower end of the economic scale. Under it, the stabilization clauses will drain income from these smaller farmers, and will have little benefit for them. At the other end of the farm economic scale, the quota system could easily bankrupt viable farmers who have heavy capital investment in their farms. They must be free to produce to the maximum in order to pay interest, and amortize their debts. If their quota does not permit them to do this, their earnings will not be sufficient to meet payments.

The minister suggests that the objective of the government program is to keep the small scale farmers on the farm. According to the Canadian Dairy Commission, 25,000 producers were phased out in 1968, of whom 75 per cent were in western Canada. Nearly all of them were small producers. I doubt that phasing out the dairy quota was a proper way to keep farmers on the land, but that is what the minister has suggested.

• (2:30 p.m.)

In the grain stabilization program there is a provision dealing with pool payments, stipulating that pool payments will be made out of the fund to take care of any pool losses incurred during the crop year. I am sure this is a harmful provision. If enacted there would be little incentive for the Wheat Board to make sure it did not have pool losses. Further, it is wrong to take the payment out of the fund to which farmers may have contributed, even though at the time the losses are incurred they do not have any grain in the pool. It is a provision that we should examine very carefully.

I hope the government will consider changing this provision. If this is to be an income stabilization program it should not be a stabilization program for pool accounts, to make up losses when those concerned have made errors and over-estimates. There is enough instability in the grains industry, and the minister took great pains to tell us about it this morning, without adding the further instability of taking money out of the fund in order to make up pool losses.

Finally, Mr. Speaker, I suggest this bill is increasing the regulatory powers of government, of bureaucracy, over the grains industry. When this program is fully implemented the grain farmer will be so regulated that he will not know which way to move. The minister proposes to make it easier for the Wheat Board to reach its commitments, because having reached a goal of 20 bushels per authorized acre it will have no stimulus to increase sales beyond that, unless such increased sales just fall in its lap. So, Mr. Speaker, we are headed into a very regulated, regimented type of grains program, judging by this and other legislation on the order paper. I hope that when the bill is considered in committee changes will be made to make it more workable, and particularly make it more effective for the producer in a time of need.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, this proposal by the government undertakes to chart the future of the grains industry, not just of the wheat industry, but of the total grains industry of western Canada for some years ahead. Even more than that, it proposes to pattern the lives of people and of the communities within which they live. Taken with rail line abandonment, which will come about in full force in another three or four years, it may very well change many of the communities and much of the pattern of living in western Canada.

I suppose I should not be surprised that before the debate got properly under way the minister's office issued a press release accusing the opposition of deliberately

working against the interests of prairie farmers by delaying passage of important new grains legislation. But, Mr. Speaker, we have seen how the minister at times chides the opposition. It depends upon his mood. If the minister is a bit more put out than usual, he lets off a blast at us. If he is not really very much put out he rises in his place and chides us in schoolmasterly fashion for not being as willing and able as he to get on with the business, and for not being good boys. I can tell him he does neither himself nor the government much service adopting that approach.

The government can be charged with tying the proposed payments this year to this bill in order to force its passage through the House, and denying a full opportunity to those of us who are interested in farming to examine thoroughly what the bill will do. We must first examine the situation the bill is intended to deal with, and that situation is the present condition of grain farming.

Grain farming is seriously depressed, and one has only to look at the figures to verify the fact. Returns from grain production in Saskatchewan have declined steadily from 1967 to 1970, the last year for which we have official figures. Over all it declined in round figures from $976 million to $690 million in 1970. Those are the kinds of averages with which the proposed stabilization fund will be dealing. To put it another way, I quote a speech made by the minister last October:

> Prairie farm cash receipts from the six major grains (wheat, oats, barley, rapeseed, flaxseed and rye) were $878 million in the 1969-70 crop year, down $270 million from the average of $1,148 million for the preceding five years.

This is the point of departure, Mr. Speaker. It is from here that we proceed. The minister is bringing forth a proposal which he says will meet that shortfall, or will enable farmers to meet that shortfall. If it is not a policy to meet that shortfall, then I do not understand how the government can introduce this bill as a measure to meet the needs of prairie farmers. This should be the first consideration of the government, but I doubt that it is. The government is looking at ways to keep a system going rather than to keep farmers going. This program makes the assumption that, at the level which the government is talking about, farmers will survive. I question whether that assumption can be made in light of the figures and information given by the minister himself in his statement to the House.

• (2:40 p.m.)

When you look at the deductions and the contributions they are proposing—$1 billion at 6 per cent produces roughly $60 million a year and this is supposed to run the stabilization program—you wonder if it is even actuarily sound. Although the minister has been asked, he has not chosen to release any of the figures or working papers from his department to show how they arrive at the assumption. Perhaps when we go into it in committee the minister will be able to come forward with figures to show how it will work.

Clause 15 of the bill provides that this fund will also be charged with any deficits in the pools operated by the

Canadian Wheat Board. If the government carries through its intention to put rye, flax and rapeseed under the Wheat Board, then it will cover the total grain industry. The assumption that this sort of program will ensure that the industry will survive is not well founded for the reasons I have stated. The bill takes no account of the cost of production. We are expected to believe that in an economy where banks, industry, labour and the professions seek increases at least commensurate with the increase in cost of living, the agricultural industry in western Canada will survive by stabilizing its income on the level of the previous five years, even if that trend continues downward.

The whole trend of the pricing assumptions in this bill, and the approach by the government follow the direction and the policy of the agriculture task force recommendations. That policy was to sell grain on world markets for whatever it would bring and, if possible, to clean up whatever crop came forward each year. This is the thrust of this bill. It also makes the assumption that we can carry on without a storage policy because it makes no provision for assistance in storage. It does not say how the farmers are going to carry the storage charges without any financial aid. The minister's document of last October states clearly that it is the plan to encourage adjustment of farm units to a more efficient size. This is definitely a part of the policy. We do not know how many farmers will be able to remain in business and this information is not given.

A press release today quoted the Minister of Agriculture (Mr. Olson) as saying in committee yesterday that the Farm Credit Corporation would be used as an instrument to adjust farm size and to provide the credit for adjustment of the agricultural industry. We tried to get information about the amount of money involved in this program but we still have not got it.

The bill ignores the importance of farmers as consumers as well as producers. There is no consideration of the necessity to maintain the earning power of farmers as consumers or to maintain their communities. It accepts the fact of the irregularity of demand for grain in the overseas market and the minister has accepted this in his statement. The bill rejects the need for storage and an inventory program so that we can have the capacity to hold grain in position to meet the irregularity of the market demand.

If he wishes, the minister may say that the storage program for wheat under the Temporary Wheat Reserves Act caused some distortion but is the answer to throw it out, lock, stock and barrel and not put anything in its place? The storage system of this country has always acted as a sort of bank for the export market. Now, the minister chooses to say that it is either no longer necessary to have this function performed or that the farmer is not going to be assisted to carry it, or that he can carry it himself. The government leaves grain storage and the transportation system, and all that is involved in them, home-free and says to the farmer that he can carry whatever costs are involved.

The government accepts the fact of irregularity of weather and drought in this country or if they do not,

they have not been around long enough. However, they ignore and destroy the Prairie Farm Assistance Act and put nothing in its place. They say, "We will carry it on for 1971 and phase it out in 1973 and governments can move in with crop insurance programs." There has to be a reason that the crop insurance program has never taken hold in the Palliser triangle, the great semi-arid wheat growing region of western Canada, but I wonder if this government knows it. The reason is that the premiums are too high in comparison with the risk, so the system is ignored in that area. The government could have used the PFAA and adjusted it to an effective crop insurance program for that area, but instead they wanted to lay their hands on every dollar they could to bolster this stabilization program so that it would not cost the government any more than it is costing them now. They wanted to grab the money in the Temporary Wheat Reserves Act and the amounts out of the crop insurance program and to recover some of the cost of subsidized interest programs in selling grain overseas. They wanted to lay their hands on all these things and put them into a total package which they could present to the people saying, "We have a program; we are doing something really big." In fact, they are only juggling figures and destroying, without thought of replacement, at least two programs that have served the farmers in many ways in the past, instead of updating these programs and making them function.

• (2:50 p.m.)

The decisions to be made will be important. They will control of the Wheat Board and there are no provisions for farmers to participate. There are charges in the quota system which the farmer will have to live with. These are significant changes and will require significant adjustments on the part of the farmer. We are left with the assumption that all these decisions are to be made in Winnipeg and Ottawa, that there will be no machinery set up enabling farmers to participate in these decisions in order that there may be some feed back and communication. If in five or six years from now there is unrest in the country over the total program, the reason for that in part will be that farmers will not have been participating in the decision making process.

When contemplating the last appointment which was made to the Wheat Board, the government ought to have appointed someone from one of the various farm organizations who would have been closer to farmers and had a background in farming. The government chose not to do so. Instead, it reached back into one of the Federal government departments and appointed a man from that level.

The decisions to be made will be important. They will affect farmers day by day, their income and how they live. I heard some useful comments in this area at a seminar in Saskatoon under the auspices of the University of Saskatchewan. It was made by one of the people who has worked on the program. At the seminar there was an assistant professor named Storey, an economist with a farming background. He made some comments which I do not suppose will affect the course the government is adopting, but in part he said:

> I believe that income fluctuation is a problem but it is not the major problem. The Income Stabilization Plan is directed at reducing the problem of income fluctuations but it does little or nothing toward solving the problem of an adequate level of income, whether stable or unstable over time. There appears to be little or no additional money for the farmer in this program because the Temporary Wheat Reserves Act, and the Prairie Farm Assistance Act were given up so there would be government money for this program.

This statement was made at the seminar in Saskatoon by a professor at the University of Saskatchewan. That was an opinion expressed at that meeting by an intelligent observer. He was right. Although we hear on the news and are told by farming organizations that farm income has dropped by 50 per cent, the government persists in its parsimonious and ill advised course of action and ignores the plight of the farmers of western Canada. Of course, if the minister does not want to heed the remarks I have just quoted, perhaps he would care to listen to the provincial treasurer of Saskatchewan, Dave Steuart.

An hon. Member: A great Canadian.

Mr. Gleave: For you he may be a great Canadian, but for me he is slightly less of a disaster, so help me, than this government. Here, the important decisions are made and the provincial people make the secondary ones, then stand in their places and cheer the stabilization bill. Why? I will tell you why, Mr. Speaker. They cheer because $100 million is coming in their direction. But what will that do for our farmers in the future? Hon. members can cheer that provincial government. I do not blame them. They are stuck with it but I am not, and that is the essential difference between us.

An hon. Member: Hon. Members over there can have that provincial government.

Mr. Gleave: According to a statement put out by that provincial treasurer, farmers in Saskatchewan owe, on the average, between $1,070 and $1,250 in respect of cash advances. They are in debt to that extent, and this government proposes to stabilize them in that condition. This bill is designed to make sure that they will remain in that condition. It is designed to get the government off the hook so that farmers and provincial ministers cannot come back and say, "But you should do this or that in terms of sales, assistance or storage. This bill is designed to get the government nicely off the hook. They will be able to say to farmers in western Canada, just as they have said to the big cities of Canada, "This is really not our concern; it is a provincial responsibility, and you people can struggle with it." That is the position into which the government is putting itself. They will distribute the $100 million, but the program will not really be tied to grain other than through the permit book. In many cases, the money will not be distributed properly or fairly.

Over the week end a farmer in Saskatoon said to me, "How will this work out?" He said that he has two sons

in partnership but that the Wheat Board will only allow them one permit book. I ask, what will be the position of the corporation and of the co-operative? I am speaking of the sort of corporation in Manitoba and Alberta in which a father and two or three sons jointly operate a farm. There is no provision in this bill for them and I can foresee considerable difficulties. I do not know if the minister has something in the works to look after these things. He did not say he had when he spoke but then, of course, he referred to the more attractive parts, if there are attractive parts, of this program.

An hon. Member: There are attractive parts.

Mr. Gleave: Does the hon. member think so? I want to tell the hon. member something, Mr. Speaker.

An hon. Member: It's about time.

Mr. Gleave: If the people of Canada were paying what they should be paying for wheat produced in western Canada, which is at least another $1 a bushel, we could put as much money into this program every year as the government is proposing to put into it, and even more. We could do that if we were paid for our wheat what we ought to be paid. We could put more into the program. A Winnipeg *Tribune* story says—and the minister may deny it—that the minister was in favour of establishing higher prices for wheat sold domestically in Canada.

Mr. Lang: Mr. Speaker, will the hon. member permit a question? Has the hon. member read clause 32(4) which provides that in the special case where a couple of producers or more farm together under one permit book, a bigger share is to be allowed them.

Mr. Gleave: If the government is to do that, that will be helpful.

Mr. Osler: It is in the bill.

Mr. Gleave: That is good.

Mr. Osler: The bill the hon. member is talking about.

Mr. Gleave: Thank you.

Mr. Osler: That is to be found at page 19, beginning at line 10.

Mr. Gleave: There will be more problems if—

Mr. Osler: It is there in English and in French.

An hon. Member: He can read neither language.

• (3:00 p.m.)

Mr. Deputy Speaker: Order. I think it would be helpful if hon. members engaging in the debate would direct their remarks to the Chair.

Mr. Gleave: Mr. Speaker, I try to be as courteous as possible. The minister wanted to draw attention to something in the bill which I had overlooked and I appreciate his doing so.

I will get back to the point I was making. This approach overlooks many of the practical things which could have been done to meet the need which exists because of low farm incomes in western Canada. I am afraid that there will be insufficient participation by producers and more decisions in the pattern of those which made up the Lift program. After the event we see the mistakes and try to correct them. There will be a real distortion in price patterns.

Mr. Pepin: You change your philosophy every day.

Mr. Gleave: I am sorry; I did not hear the minister. We could have done just as much by getting a decent price for the product the farmer is selling. We shall move away from the position we occupied previously of looking at initial prices from two points of view—first, what the market will return and, second, the need of the farmer for income. This is one of the most serious aspects of the government's approach. I do not think it is realistic or practical to expect the Canadian grain farmer to compete in world markets against subsidized grain exports of other countries without aid in meeting his cost of production, without the benefit of subsidies.

I have serious doubt that we can maintain a viable working and capital structure within the grain economy no matter how much adjustment the government is able to force on the farmer or persuade him to accept. I do not think there will be sufficient total income forthcoming to enable us to maintain a viable farming structure unless marketing conditions improve drastically within the next two or three years.

I should like to move an amendment seconded by my hon. friend from Vancouver-Kingsway (Mrs. MacInnis):

That Bill C-244 be not now read the second time but that it be resolved that in the opinion of this House the said bill should be withdrawn and that the government should consider introducing in its place two separate bills, the first of which would deal exclusively with the proposed special transitional payments, and the other with the principle of prairie grain stabilization payments.

I move this amendment because I believe the House should have an opportunity to consider objectively the full implications of the stabilization legislation the minister has brought before us. I do not think the opposition should be placed in such a position that if and when it debates the bill it is accused of preventing the measure from passing the House and, by implication, depriving farmers of the amount the government proposes to distribute.

If the minister believes the measures he proposes are sound and in the interest of prairie farmers, I challenge him to separate the $100 million payment, which is merely the recognition of the desperate situation of prairie farmers, from the rest of the bill. Then let him bring in the measure he proposes and let it be debated on its merits in this House and in the Standing Committee on Agriculture. If he follows this course, hopefully it will be possible to make some amendments, certain revisions, so that the bill may serve the purpose which it should serve.

• (3:10 p.m.)

The concern should be not only to stabilize the prairie grain industry but also to ensure that farmers in western

Canada have sufficient income to maintain a viable industry with an adequate working capital. The figures I have quoted today and which the minister himself quoted in his statement last October tell anyone who reads them that we face a situation in western Canada in which farm capitalization and the farming structure generally will no longer be viable. The minister will not have to worry about helping people to get out of farming; they will be going. The sad fact is that they will be going out broke. It is fine to say they can be retrained, but I do not know where the government intends to send people from the farms when there are at present 700,000 unemployed in Canada, many of them with skills and training. I do not know if he intends to do anything about it. I do not know what advice he got from farm organizations, but at least one press release from the National Farmers Union suggested it did not have undiluted enthusiasm for this bill.

The Saskatchewan Wheat Pool indicated on March 16 that the board of directors contended that 2 per cent of gross receipts from producers as a contribution is too high in relation to the plan's benefits. The board also suggested the plan should include features to take care of steadily rising costs of production. Within the last month we have experienced an increase in the price of fuel. This apparently is being ignored. The government must think that a farmer is some kind of a magician who can pull dollars out of a hat and continue to live and function on the income figure the minister has quoted. Surely the minister should pay some attention to these facts pointed out by the directors of the wheat pool.

The assessment of 2 per cent of the gross income of farmers is perhaps the worst way to collect money. It is in effect a total production tax. It does not amount to a contribution; it is a production tax of 2 per cent. This is like a property tax on your farm; you pay it whether you make money or not. Why did the minister not relate the tax, or the contribution, to income? Apparently there would not be sufficient return if it were based on net income so the minister decided to base it on gross income.

Mr. Lang: How do you figure it?

Mr. Gleave: That is not difficult. A contribution of 2 per cent on gross income is 2 per cent on the gross. If there is another way of putting it, I would be glad to listen to another interjection from the minister.

Mr. Lang: I should be delighted to ask the hon. member a question, Mr. Speaker.

Mr. Deputy Speaker: Order. For what reason is the hon. minister rising?

Mr. Lang: I am rising to ask the hon. member a question, Mr. Speaker. Since the hon. member seems to know how this can be done, calculated on the basis of net income, I should like to ask him how we are to distinguish between appropriate premiums in respect of well operated farms and poorly operated farms? How do we distinguish between different types of land and operations and a thousand and one other things I could list?

Mr. Gleave: I tell the minister that if I were going to devise a method to help out people in an industry which was known to be in serious economic difficulty, I would not start off by taking money away from them. That is my first point of departure.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his allotted time has expired.

Some hon. Members: Carry on.

Mr. Deputy Speaker: The Chair has some observations about the procedural aspect of the motion of the hon. member for Saskatoon-Biggar (Mr. Gleave). If there is consent that the hon. member for Saskatoon-Biggar should continue, I will recognize him.

Some hon. Members: Continue.

Mr. Gleave: I express appreciation to hon. members for extending my time. I do not want to say a great deal more. I will wind up my remarks very quickly. If I wanted to take 2 per cent of someone's net income, or the net income of a group of people, I expect I would do the same as the minister has done; I would say to some of the boys in the back room, "Figure out a way to make this assessment based on net income. Tell me how to do it".

Mr. Lang: They said it was impossible.

Mr. Gleave: I suggest in all sincerity that it is wrong in the first place to make a deduction.

Mr. Knowles (Winnipeg North Centre): Get some new back room boys.

Mr. Gleave: All I can suggest is that the minister has ignored the major problem outlined by the Saskatchewan Wheat Pool. I have in mind the increase in production costs. This over-all program ignores that fact; nothing is mentioned about production costs. There is nothing envisaged in this bill to meet the short fall which now exists in the farming economy or the increase in production costs which exists throughout Canada and which in all likelihood will continue. That is all I can say to the minister.

In closing, let me tell a story about a chap who delivered grain to an elevator. The farmer hauled his grain to the elevator and the agent made up a little ticket. The farmer asked what an item on the ticket was for and the agent replied that it covered dockage. The farmer asked what the next little item was and the agent told him it was to cover shrinkage. The farmer said, "I do not understand dockage and I do not understand shrinkage but I know there is too much 'takeage' ". That is your problem, Mr. Minister.

An hon. Member: Ho, ho, ho!

Mr. Deputy Speaker: Order, please. Before the Chair recognizes another hon. member perhaps I should make some comments in respect of the procedural aspect of the motion of the hon. member for Saskatoon-Biggar. I

intend to invite the hon. members to assist me in deciding upon its acceptability. It might be helpful if I read the motion, which is as follows:

That Bill C-244 be not now read a second time, but that it be resolved that in the opinion of this House the said bill should be withdrawn and that the government should consider introducing in its place two separate bills, the first to deal exclusively with the proposed special transitional payments, and the other to deal with the principle of prairie grain stabilization payments.

Without making a judgment, I should like to point out that the proposed motion does not oppose the principle of the bill but suggests that it be divided. Hon. members will recall what was said last evening by the Chair in respect of a point of order dealing essentially with the same question.

The matter of dividing a bill seems to attach conditions to its passage. The Chair must decide first if the amendment is acceptable. The Chair must keep in mind the factors enumerated last evening in respect of dividing or separating portions of a bill. I would also invite hon. members to assist me in respect of the suggestion that a reasoned amendment should be declaratory of a principle and, of course, must fall within the four corners of the bill.

Let me refer again to the words of the motion. It states that the bill should be withdrawn and the government should introduce, in its place, two separate bills. With respect, it is my feeling that the hon. member is not opposing the principle of the bill but is suggesting another way in which the government could deal with essentially the same subject matter. Having said this, I invite hon. members to assist me on this procedural question.

• (3:20 p.m.)

Mr. Lang: Mr. Speaker, I believe you have covered most of the essential points I should like to make in objecting to the form of the amendment. It is clear it is in effect an attempt to bring back in, or to bootleg in a different way the point of order which was rejected at the beginning of the debate on the bill before us. Further, it would seem to me a fundamental objection that the motion to bring it back in two bills, apart from being unacceptable on the ground Your Honour mentioned would in effect direct the bringing back of bills which would require at least in one case, a form of resolution and in that sense it would affect the former resolution. This would be a rather exceptional way for an opposition amendment to effect the spending of money contrary to the rules of this House.

It is also clear that throughout the debate and the consideration of this matter before the bill was introduced, the parts sought to be separated have been clearly labelled as inseparable from the point of view of government policy and principle in respect of the bill and therefore the separation, if it were effected, would have the effect of defeating the bill. If the hon. member wishes to defeat the bill he can do so by voting against it.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have been trying to decide for myself what kind of a mood the minister is in today. I saw the press release he put out this morning which I do not believe was designed to speed up things. Now he accuses the hon. member for Saskatoon-Biggar (Mr. Gleave) of doing some bootlegging and then sits down having said that members who are opposed to the bill can vote against it. I do not understand this kind of mood and perhaps I should stick to the point of order.

[Mr. Deputy Speaker.]

I say to you, Sir, and to the minister in charge of the Wheat Board that there is quite a difference between the Chair ruling as it did last evening that it does not have the authority to instruct that a bill be separated into two parts, and the House deciding on the basis of its authority that this is what it wants done. The fact that the Chair ruled last night that there is no procedural basis on which to insist it be divided does not prevent the House from deciding that that is what it would like.

The minister just now repeated that point and then made the statement that the government has decided that these parts are inseparably bound together. We have a Speaker in the chair with certain responsibilities and we have a government with certain responsibilities. However, we also have a House of Commons which has certain rights. I submit it is within the prerogatives of the House of Commons to request that any step be taken. The manner in which that request is made must be procedurally proper, but I submit that the decision of the government that the different parts of this bill are inseparable, and the decision of the Chair that it could not demand the splitting of the bill, do not stand in the way of the House of Commons deciding this is what it wants done. Of course, it would require not only that the motion be procedurally proper but also that the mover of the motion could obtain a majority of the votes in the House for that to be done.

The minister also said he thought the amendment proposed by the hon. member for Saskatoon-Biggar contravened the rules about a private member's motion involving the expenditure of money. That, again, falls to the ground pretty quickly because the amendment suggests the government should consider introducing in its place two separate bills. It has been established time after time that although a private member cannot move anything involving the expenditure of money, he can move that the House ask the government to consider doing something even though, as I say, it might involve the expenditure of money.

Now we come to a couple of points raised by the Chair. The Chair wonders whether the position taken in this amendment is one of opposition to the principle of this bill. Well, what is the principle of this bill? We on this side are impressed by the fact that its principle, as it appears to us, is to combine two things which we think ought not be combined. We think it is pretty fundamental that we are being asked to vote at one and the same time on a $100 million hand-out and on a long-term stabilization program. We feel we have the right to oppose that principle of asking us to vote at one and the same time on two things which we do not think should be put together.

I might also point out what is said in citation 382 of Beauchesne. This citation has been read from the floor and the chair so often that we ought to know it by heart. It is a citation which contains a good many clauses and therefore is like some things in the Bible; you can prove anything if you read it the right way. Citation 382 reads:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill—

That is my hon. friend's suggestion. He has special reasons for not agreeing to the second reading of this bill. The citation continues:

—to move as an amendment to the question, a resolution declaratory of some principle adverse to, or differing from, the principles, policy, or provisions of the bill—

I think he is doing that in that he is opposed to the principle of putting these two things together. I underline these next few words:

—or expressing opinions as to any circumstances connected with its introduction—

That describes this amendment perfectly. The hon. member is expressing an opinion on the circumstances connected with the introduction of this bill, namely, that it includes in it two things which ought not to be there together. The citation continues:

—or prosecution; or otherwise opposed to its progress—

When we look at citation 382 we see that although it has many clauses it is clear that for an amendment to fall within its terms it does not have to meet all of them but certainly has to meet some of them. I submit it meets the condition of being opposed to the principle of putting these two things together, and is also critical of the manner in which this bill is being introduced and the manner in which its prosecution is being sought. I suggest, therefore, that the member should have the right to put this request to the House in the form of a motion.

I come back in my concluding remarks to the point I dealt with at the beginning. There are a number of things which arise in this House which can be decided in one or other of two ways. If a member seeks to move a motion for adjournment of the House under Standing Order 26, the Speaker has the complete say on that and if he rules against it, that is the end of the motion. But if a member seeks to move the same motion the next day under Standing Order 43, it is not the Speaker who makes the decision then but, rather, the House. There are other examples of the same situation, and I think that is what we have here.

• (3:30 p.m.)

We accept the ruling that the Chair made last night that the Chair does not have the right to direct that the bill be divided, but that does not deny to the House the right, if it so wishes by a majority vote, to call upon the government to divide the bill. There is no question that that is in essence what the amendment is, an attempt to divide the bill so that two parts which we do not think are related can be dealt with separately. But it is our contention that in terms of the requirements for an amendment on second reading, this one should be allowed.

Mr. Deputy Speaker: If no other hon. members would like to assist the Chair, I would be prepared to make a ruling on the amendment of the hon. member for Saskatoon-Biggar (Mr. Gleave).

I indicated initially, before inviting comments and assistance from hon. members, the questions that the Chair had in mind. I thank the minister and the hon. member for Winnipeg North Centre (Mr. Knowles) for assisting me in deciding whether or not the amendment is procedurally correct. Perhaps I did not emphasize that one of my main concerns was that the amendment does not oppose the principle of the bill. I think it does oppose the form of the bill. Whether or not the bill is in a form in which members would like to consider it may be a matter of argument among hon. members, and I do not pass judgment on this. I do suggest, however, to the hon. member for Winnipeg North Centre—and I do this with great respect—that citation 382 of Beauchesne on which the hon. member relies to a great extent deals with the matter of the principle of a bill. I should like to read the citation as follows:

It is also competent to a member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move as an amendment to the question, a resolution declaratory of some principles adverse to, or differing from, the principles, policy or provisions of the bill—

It seems to me that for the amendment to be acceptable procedurally it must be in opposition or adverse to the principle of the bill, not to the form of the bill. That is what gives me a great deal of concern. In essence, the hon. member's amendment says that the bill should be divided. It does not quarrel with the principle of the bill. It does, however, quarrel with the form in which the bill is presented to the House.

The hon. member for Winnipeg North Centre argued very forcibly that there is a difference for the Chair to take into consideration as between the point of order which was before the Chair last evening and the reasoned amendment that the Chair now has before it. I say with respect that I find some difficulty in following the argument of the hon. member to its conclusion.

It seems to me that the Chair has a responsibility, whether the question is raised on a point of order or by means of an amendment, to determine whether or not it is procedurally correct and one that can be put to the House. The question last evening was whether or not the motion for second reading of the bill could be put to the House. This was raised on a point of order. I cannot see too much difference between the two methods from a procedural standpoint. It is the procedural question, of course, with which the Chair must be concerned, whether it is raised on a point of order or in the manner suggested today by the hon. member for Saskatoon-Biggar in which he proposed that the bill should be divided and put to the House in a different form.

So I suggest, without repeating my initial concern but adding to it these remarks, that it seems to me the opposition to the bill as set out in the hon. member's

amendment is an opposition to the form of the bill and is not an opposition to the principle of the bill. He is suggesting that the way in which the House should deal with it should be changed. Again, that is a matter of debate but it seems to me that it is not acceptable as a reasoned amendment. Therefore, I must rule that I cannot accept it.

Mr. Jack Murta (Lisgar): Mr. Speaker, I have waited a long time for an opportunity to speak this afternoon and I am glad now to be able to speak on Bill C-244, an act respecting the stabilization of prairie grain sales. I would like to say at the outset that I believe that a form of stabilization of farm grain sales is popular among prairie grain producers.

I should like to deal with one of the most important aspects of the program. I believe that it is basically designed to establish a policy with an initial interim payment of $100 million to western farmers in the current crop year. It is designed to hold cash farm receipts at a predetermined level. The fund itself will be on a two to one ratio, the government contributing 4 per cent of the total receipts for each year and farmers contributing 2 per cent of their total up to an average cash receipt of $15,000 payable from any one farm. This will mean the total that any one farm will end up paying in any one year is $300.

At first glance, the idea of having a relatively stable income in the grain industry has a basic attraction, although the plan does have faults, one fault being that it ignores completely the cost of living or the inflation factor. We all know that the cost of living has risen rapidly in the past few years. I believe that the inflation rate quoted by a good many economists is now 4 per cent to 4½ per cent a year. If this plan were to be implemented in the form proposed by the minister, this inflation rate or factor would be completely ignored and the burden would be on the agricultural producers who were unfortunate enough to be affected in this way.

In other segments of our society, when there is bargaining at any level this is one of the costs that is automatically built into the bargaining mechanism, but because the government is dangling $100 million in front of western Canadian farmers in the current crop year they feel they can accept such a plan. In reality, farmers will find that when the plan is in effect they will end up in a situation similar to the present one. If the plan is to be of any real benefit to the grain growing community we should consider this aspect when the legislation goes to committee.

The plan does consider the industry as a whole but, I suggest, only on a gross receipts basis. As I mentioned before, it does not take into consideration the costs of production, inflation, etc. One of the real faults of this kind of legislation is that it ignores the individual farmer or grain producer. This could happen in Manitoba where due to weather conditions farmers might have a small crop but under normal conditions they would qualify for a stabilization payment. But if Saskatchewan, which produces most of the grain grown in western Canada, had a good crop, and Alberta also, thus keeping the average up to the point where there was no need for a stabilization fund, Manitoba farmers paying into the fund would receive no real benefit whatsoever, when in reality they should receive some payment.

[Mr. Deputy Speaker.]

• (3:40 p.m.)

That is why this legislation is similar to Bill C-176, the marketing boards bill, that we have all been talking about. Basically, it is poorly drafted legislation in that it ignores the rights of individual producers affected by it. It gives the power and control to the government, to the civil service, and takes it out of the hands of the producer. When the legislation is being considered in committee, an alternative that could be examined is a plan devised on a net income basis, as suggested earlier this afternoon, thus allowing for variations in cost factors. As we all know, cost factors vary greatly from the Red River Valley in Manitoba to central Saskatchewan or to a spot in northern Alberta.

I do not believe that there are many western farmers who would not like to have their income stabilized at a reasonable level, although there are a great many farmers who do not believe that the proposed grain stabilization program will adequately meet their needs. It was felt, and I believe rightly so, that if contributions were to be made by grain growers to the stabilization plan, they should be based on a maximum of 1 per cent of their gross sales, of course with the assurance that PFAA was to be discontinued, and as we see in this legislation, it is to be discontinued.

If we are to look at some form of government stabilization for the grain industry, then I believe the government should be paying a greater percentage than it is. I say this in light of the kind of legislation with which we are dealing. If the government is bound and determined to meddle in the affairs of farmers, then the federal treasury should be prepared to shell out more money than is proposed in this piece of legislation. Payments from the fund could then be matched by the government on a one to six ratio, meaning that for each $1 that the farmer contributed, the federal government would pay $6.

I would also like to see a provision that contributions by producers to the fund would cease when the fund had accumulated $100 million at any one time. Then, of course, interest could be added to any balance in the fund. As I stressed previously, payments to producers from the stabilization fund should include a factor directly related to the changes in the cost of inputs into production. A program such as this should be subject to a complete review annually, Mr. Speaker. I suggest it should not be reviewed by the civil service and by the minister himself. It should be reviewed at the local farm level, giving people directly affected by it a chance to voice their criticism or praise of the program. In this connection I refer to clause 22 of the bill which provides:

> The minister shall establish an advisory committee consisting of a chairman and four other members to be appointed by him from among producers and representatives of producer organizations.
>
> (2) The advisory committee established under subsection (1) shall
>
> (a) meet at least once a year; and

(b) advise the minister with respect to the administration of this act.

I do not think this is good enough. I think the producers affected by the legislation are the people who should have some say with respect to how they believe the act is working.

These are the questions that this program raises, Mr. Speaker. Should a farmer be able to get all or part of his equity out of the fund if and when he decides to stop farming? An example of this would be a farmer who had paid $1,000 into the fund. On retiring from farming, should he be repaid that $1,000 in equity? Here I refer to a portion of clause 5, on page 5 of the bill, which stipulates that if a farmer ceases to farm, or dies, two years must elapse before the money he has accumulated in the fund can be freed. After the program is in operation, Mr. Speaker, how will someone just beginning to farm be able to participate in it? These are just some of the many questions that programs such as this raise in my mind and in the minds of a good many grain producers in western Canada. I hope we will be able to deal with them more fully at committee stage.

One of the real fallacies of the plan concerns the $100 million that the government will give the farmers in the coming year. If one looks at the plan a little more closely, one can see that the $100 million is made up in part by the termination of the Wheat Reserves Act and also the termination of the Prairie Farm Assistance Act. Out of the $100 million to be paid by the government this year, I believe the cost to the treasury would be $42 million, counting on the Temporary Wheat Reserves Act as paying out approximately $52 million, plus a 1 per cent deduction under PFAA to be turned over to the general revenue fund of $5 million.

So, Mr. Speaker, I suggest that what the minister has been stating from time to time is not completely true, particularly when he says that the government will be paying out $100 million to the farmers. In reality, a good portion of the amount to be paid to the farmer will be money that he has coming to him. Instead of looking at a figure of $100 million coming from the federal treasury, we should be looking at a greatly reduced figure. This program should be explained to the Canadian people in its proper light.

As mentioned by a previous speaker, clause 15 provides for deficits on pool accounts to be met from the grain stabilization fund. In this connection I would like to quote briefly from a speech made by Mr. Frank Hamilton, at one time chief commissioner of the Canadian Wheat Board, who said:

> We have to level out the yearly ups and downs in the grain industry. Farmers must be able to plan ahead and not just be stabilized at a poverty level. I read with interest an Ottawa release about a $100 million payment into the western economy this summer. I think that's great and I'm all for it. It went on to say, however, that losses on grain pool accounts will be recovered from the stabilization fund. I just wonder how many producers in western Canada realize that the last pool account—wheat 1968-69—required $119,548,299 from the government of Canada in order to break even. If you doubt this, take a look at the supplementary report of the Canadian Wheat Board, 1968-69. It puts the $100 million in its proper perspective—$20 million short on that particular pool.

• (3:50 p.m.)

I am in basic agreement with the termination of the Temporary Wheat Reserves Act because I believe that act has had a tendency to create an overabundant supply of wheat simply because of the nature of the act itself. It is still not completely clear in my mind whether the abandonment of the Wheat Reserves Act would create storage problems for producers and elevator companies. I believe that the present facilities have not been used to the maximum. This was accentuated in the rail tie-ups that took place across the country some months ago.

The consideration must be that with the termination of the storage payments under the Temporary Wheat Reserves Act, elevator companies will be short of income. If the co-operative and private elevator systems are to be modernized and rationalized as I believe they must be, earnings will have to be generated and in all probability the farmer will pick up the costs through an increase in elevator charges. The prairie grain stabilization program is for the most part an effort by the government to lock the farmer into one particular segment of his own grain industry.

Mr. Speaker, instead of the government thinking in terms of the average cash receipts over the past five years, or the last three years, I would rather see it take a more positive attitude and project sales into the future with the outlook of increasing our grains sales to other countries. It has been shown in the past through various trade commissions to other countries that the potential is certainly there, potential that we have been ignoring for many years. I believe a far more positive approach, and one which would put money into the hands of grain producers in western Canada and would be better than asking the farmers to subsidize themselves, would be a longer range outlook so far as selling our grain is concerned.

I suggest that the minister and the government are ignoring one of the basic assumptions of farming. It is a fact that the minister must deal at all times with individuals, not abstract numbers or quantities. One of the greatest concerns of a program such as this is that it has a tendency to look at the whole of the grain industry and not at the individuals within it. I am anxious to see this piece of legislation go into committee because, while the idea of having a relatively stable grain industry for western Canada is a good one, there are parts of this legislation which I believe should be brought more into the open so that agricultural producers may have a better chance to voice opinions on it.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I shall not have time this afternoon to finish the comments I want to make on this bill, but I shall make a start. The minister wondered how anyone could work out a contribution system on the basis of net income. I agree it would be difficult. The net income of farmers in western Canada is low and some of them went into the red in tre past few years. If the minister is not aware of this, he should go out into the country and listen to the farmers.

I had a question on the order paper about the amount of income tax paid by Saskatchewan farmers, but unfor-

tunately the figures for two important years, 1969 and 1970, are not yet available so I am not in a position to prove just what happened. I am sure the minister is aware, apart from any awkwardness in proving what the net income is, that there is not very much net income. We have today heard Dominion Bureau of Statistics' figures quoted which show that net income is down.

I listened very carefully to the minister this morning because I hoped that somewhere in his remarks on payments and stabilization of income he would talk about the relationship of income to cost. If he made any such comments, I did not hear them, so he must have said them very quietly or just thought them. Any discussion of agricultural income without a discussion of agricultural costs would be as ridiculous as it would be in regard to any other industry. Obviously, costs will increase. A royal commission has studied the cost of farm machinery. However, costs have increased so much that by the time we receive the commission's report the data will be "old hat." I suggest to the minister that any discussion that does not take costs into account is no good to the farmers and I hope the farmers in his constituency tell him so.

It is obvious that the stabilization plan will increase the costs. One per cent of $15,000, on the basis of the old PFAA, was obviously $150, but now at 2 per cent it is $300. I use the figure of $15,000 because it is the maximum allowed under the plan. I give the minister credit for accepting the principle of limitation of payment in respect of any one farmer. I think this is one of the problems in the United States with stabilization of income or agricultural subsidies—it has got out of hand. They would not have had as many complaints from taxpayers if they had accepted this principle and done something about it. I think there is a valid reason for doing this and I would be prepared to accept it. I will not argue whether $960 is adequate, but if we are to subsidize anybody let it be these with the greatest need.

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

Mr. MacEachen: Mr. Speaker, I should like the consent of the House to revert to motions so that I may move the reference of several reports to the Standing Committee on Transport and Communications.

The Acting Speaker (Mr. Richard): Does the minister have unanimous consent?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

TRANSPORT AND COMMUNICATIONS

REFERENCE OF ANNUAL REPORTS OF AIR CANADA AND CANADIAN NATIONAL RAILWAYS TO STANDING COMMITTEE

Hon. Allan J. MacEachen (President of the Privy Council) moved:

That the Air Canada annual report, 1970, the Canadian National Railways annual report, 1970, and the auditor's report of the Canadian National Railways for the year ended December 31, 1970, be referred to the Standing Committee on Transport and Communications.

[Mr. Thomson.]

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

Some hon. Members: Agreed.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we would be happy to agree to this motion. If the minister would like to add to it the annual report of the Canadian Pacific Railway and Canadian Pacific Airlines, we would agree to that as well.

Motion agreed to.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Mr. Speaker, can the government House leader confirm the business for Monday?

Mr. MacEachen: Mr. Speaker, I confirm that the business I announced shall continue, namely, agricultural stabilization, with the Wheat Board following. Tuesday and Wednesday are opposition days, and on Thursday there will be a debate on the reference to the special committee of matters relating to public order legislation.

[*Translation*]

The Acting Speaker (Mr. Richard): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's Order Paper, namely notices of motion.

• (4:00 p.m.)

PRIVATE MEMBERS' NOTICES OF MOTIONS

OLD AGE SECURITY ACT

PROPOSED SIMULTANEOUS PENSIONS FOR HUSBANDS AND WIVES

Mr. Gérard Laprise (Abitibi) moved:

That, in the opinion of the House, the government should consider the advisability of introducing a measure allowing the spouse of a person receiving a pension by virtue of the Old Age Security Act to be entitled at the same time as his partner to the pension even if his age is lower than the present act demands.

He said: Mr. Speaker, once again I am introducing this motion with the hope that ensuing discussions will bring this government to follow up on it with an amendment to the Old Age Security Act, in order to enable husbands and wives—generally, it is wives—to receive the pension at the same time even though both have not yet reached the age now set at 65.

During debates on a similar motion a few years ago, one member said that if no age limit was established for this pension, this could perhaps encourage some men to abuse, that is, they would marry younger women in order

to receive the pension. This could still be very crucial today since our Prime Minister recently married a very young lady and could also be tempted to take advantage of such a measure.

The reason I did not mention an age limit in my motion is that I think it should be provided in the bill introduced by the government. This limit could be set at 55, or ten years less than the age required to receive retirement pension and later, when the government lowers retirement age to 60—which I hope it will—the act could be changed so as to allow the wife to receive the pension upon reaching the age of 50.

Of course, the arguments and considerations which lead me to introduce such a motion again this year, are provided by the many people who request this legislation and are justified by the conditions in which our senior citizens and pensioners have to live. Even if these are social measures which outwardly seem to indicate that our senior citizens are well provided for, actually it is not so. A few people are perhaps gaining some advantages from the situation but it so happens that our social laws, especially with regard to old age security, are not what they appear to be in the eyes of the public.

Generally speaking, our society complains about the ever-increasing cost of living while professional people, semi-professional employees and all classes of workers are getting together and creating associations and unions, and while union leaders are calling for strike after strike. Within this confused situation of requests and requirements, there is one group of people that are not making any noise and which accordingly are left completely to their own resources. This group of people includes all the small pensioners over 65. They worked hard for 40 or 45 years at a time when wages and the cost of living were at a low level, at least at the beginning, and when pensions plans were rare. And when, by chance, it happened that some employers offered their employees a pension plan to which both parties made contributions, serious-minded employees tightened their belts in order to make sure that they would get a monthly income of $100 or $150 after 65.

In those same years, especially during the Second World War, the government appealed to patriotism to urge people to buy victory bonds. The wage earners tightened their belts and, because they were good patriots, they managed to get some small bonds by monthly instalments of $5. Later on there were provincial savings bonds and Government of Canada savings bonds.

What happens now is that beneficiaries of a small pension who own a few savings bonds are, to a certain extent, being penalized for their efforts to ensure a retirement income. They are penalized because now that their income exceeds the limits set by the government they are not entitled to the $55 added last April to old-age security pensions of needy persons with no other source of income.

In many cases the pension, which is fixed at $135, does not exist. When there are two spouses, the maximum per person is $127.50. Beneficiaries of small pensions also have to pay premiums on life insurance they may have, otherwise when their small savings have dwindled away they would have nothing left at their death. That might be a good way of obtaining funerals at government expense.

In most cases, beneficiaries of small pensions, however old, still have some family responsibilities, which does not help their lot, and this happens, in most cases when the wife is a few years younger than her husband. If the beneficiary of a small pension has worked without respite over many years in order to own his house, he still has to cope with municipal and school taxes which never reach a point of saturation. In repairs because imperative, he has to pay for services of electricians or carpenters, the cost of which is constantly increasing.

• (4:10 p.m.)

If the "small pensioner" does not own his house, he has to live in an apartment or in a room and there again rents are not decreasing! How can he afford lodging and food with $135 a month if he is the only one to receive a pension?

At this rate, should all the "small pensioners" go in senior citizens' homes for the rest of their days and be indirectly dependents on the state? These institutions are full and they have endless waiting lists.

I would like at this point to digress a little and indicate what is now happening in the province of Quebec in this regard. Before the guaranteed income supplement was increased in April, a couple was receiging $226.82 a month. I take as an example a couple who is living in a home for the elderly. In the province of Quebec, this couple had to pay $166 a month for board and lodging. They had then $60.82 left. Since April, because of the increase in the guaranteed minimum income supplement, the same couple now receives $255 a month, but they have to pay $208 to their boarding home instead of $166. Therefore, they have $47 left each month, that is $13.82 less than before the raise.

As regards couples who live in homes, people seem to believe that the pension these aged persons receive has indeed been increased, but through the action of another government which tries to finance itself directly from old age pensions, the pension did not go up but decreased by $32.80 a month. Such is the unbearable situation now in the province of Quebec.

In those cases where only the head of the family, for example, receives a pension, the maximum he may get is $135 per month.

Now, it was customary in the province of Quebec—I speak of Quebec because that is where I live—for the government, under the public assistance legislation, to grant an additional amount to the wife in order to allow the couple to live decently. But since the increase in the guaranteed income supplement paid by the federal government, Quebec has practically abolished all additional allowances granted to the wife. Sometimes, an amount equal to that of the increase granted by the federal government is deducted but, often, the amount deducted is greater than that increase.

So, that is another aspect which is not very attractive and which is approved by the Quebec government that advocates co-operative federalism. In fact, it is rather a backward federalism, one that is not acceptable to the citizens, at least to those of Quebec.

Now a couple living on one pension must face very great difficulties because they have to pay rent or if they own a small house which they finally bought through savings of all kinds, they must keep it up.

It is impossible to make both ends meet with $135 and to provide for two and quite often three or four people since, in many instances, such couples have in charge 15- or 16-year-old dependents. So these young people attend school and it is rather costly to support them.

My request is altogether justified. It covers those couples, including the head of the family who used to be the breadwinner and must in one way or another—if it is not of his own free will, he is forced to do it—retire, and when no income comes into the home, it is the difficulties which do come in.

During the active years of a worker, the government has taken from him what he could have saved for his old age, through income tax and other taxes of all kinds. So in most cases when the worker reaches 65 years of age his savings are very small and often do not allow him to lead a normal life.

I say that saving is penalized, and I have in mind a concrete case. This is about a widower who, last year, decided to work for a month, so as to improve his financial lot, and the federal government immediately penalized him by decreasing the amount of his pension, so that he only gets $70 a month. And this, merely because he had worked before or after the establishment of the Pension Plan. He is drawing $10.08 from the Quebec Pension Plan, and the Welfare service pays him an allowance of $7, which only gives him—and that, from three different sources—$87 a month. In these circumstances this old person cannot think of going to live in a home for the aged, because this would cost him $104 a month. He must stay in a boarding house, at cost of $20 a week, and since there are sometimes five weeks in a month, one can imagine in what trouble this man finds himself. He had to stop smoking and can no longer buy clothes or enjoy his hobbies. He cannot even afford to buy a newspaper!

I wanted to put those considerations before the House this afternoon, in order to show as much as possible the numerous difficulties experienced by old people even if quite often they seem covered by some legislation. As for the legislation, I compare it to a cake which has failed. When that happens, it is iced and it looks good. But when it is cut, then one realizes that it is not so good. Most of our social legislation is somewhat like that. As long as we do not need it, we imagine that everything is perfect, but when we get a taste it, we realize that there is not much under the icing.

That is why we ask for improvement on those laws to allow elderly couples of which only one has reached pension age, to lead normal lives without having to beg.

I hope hon. members who studied the motion and listened to my arguments will speak in favour of the motion and ask the government to introduce a bill that will clear up the situation.

• (4:20 p.m.)

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I listened attentively to the eloquent speech of the hon. member for Abitibi (Mr. Laprise). He aroused my curiosity so much that I wondered if the speech he delivered in such a masterly fashion would not fall in the darkness and void of times and if the Quebec National Assembly would not have been the more appropriate place for it.

Since the problems he set forth are, I believe, administrative problems under the jurisdiction of a certain province I am sure that his speech—and I am happy for him—will not fall into the darkness of times because he will be able to give it to one of his friends from the Quebec National Assembly. The hon. member dealt with our every day problems in the province of Quebec,—he referred to nearly all Quebec social security programs, including welfare—and we know there is an administrative unrest at present that will eventually be corrected.

But I agree with his remarks on social security programs. So I advise him to have his speech retyped and sent to one of the Créditiste members in Quebec who will be able to call the attention of the National Assembly on that problem.

Older people surely have a fairly deep feeling of insecurity, although that group more than any other group of citizens gets assistance at the present time through public programs. When older people retire, their income decreases while their needs often greatly increase.

I quite understand the object of the motion of the hon. member for Abitibi and I admit that allowing the wife of a pensioner to be entitled as well to the pension would perhaps improve for a while the conditions of retired couples, but I also claim that such a measure would not be in accordance with government policy.

This is what I mean. Our policy consists in channeling available resources toward the improvement of income security benefits for older people who live in dire poverty because of a very low income. If we examine the position of older people, we realize that older married couples are much better off than single persons.

It is an undeniable fact, shown in statistics, that poverty is more widespread among single persons than among married couples.

In fact, without some guaranteed income programs for the aged, about 72 per cent of single people over 65 would obtain less than $1,500 whereas 55 per cent of married couples would get less than $3,000.

It should be noted that the new programs have reduced such percentages to 53 per cent for single people and to 31 per cent for married couples in the over-65 category.

This proposal provides on a standard benefit of $80 for all wives under 65 whose husbands have reached retirement age. Of course, this benefit would do injustice to

single women in the same age group since, not being married to pensioners, they would not be entitled to any benefit.

In that group of single women, we should include those who were never married and those who head a family, and we know that there are now more and more of them. The woman who acts as family head, if she works, can rely only on her own earnings, that is earnings on average lower than those obtained by men. Often those family heads are widows or deserted, separated or divorced wives, with dependent children. On this account, those women are reduced to an even more precarious and disastrous situation socially and financially.

If adopted, this proposal would mean granting a new demogrant, before the regular pension age, to the wife of a pensioner. The demogrant or the guaranteed income are acceptable means to provide sure income, since conditions for eligibility are simple. It should be noted, however, that this scheme is extremely costly since the same benefits are paid both to high income people and low income people.

To understand the federal government policy in the area of senior citizens income maintenance, it is important to be aware of all the current measures which cover this group of people. I can well imagine the chaos that this motion, if adopted, could cause since it would permit an old man to marry four or five times merely to have young and pretty girls get lifetime retirement payments. And, once the retired husband has passed away the pension will continue and the tearful wife will be able to try her luck again because she will not be too old yet.

I want to say that if we decided to discontinue the pension proposed under this motion, we would be faced with many more problems since those people would keep increasing in number. Moreover, we would have many complaints from those people who, for a period of time, would have enjoyed a certain level of income which would be interrupted overnight.

As I said earlier, this would be an injustice to the other group of citizens who are considered as unmarried and who, in fact, are not. They are widows, deserted women, divorced women, etc.

We know that the future has many surprises in store. From our current sociology, and mainly taking into account the present trend in society, it seems that divorces will become more and more numerous. When debating a motion such as that of the hon. member for Abitibi (Mr. Laprise) we should understand the government social security measures intended for our senior citizens.

Social security measures for the aged include the guaranteed income, assistance benefits and social welfare services, as well as the guaranteed income from private pension plans.

The guaranteed income legislation covers first of all, the old age security allowance; secondly, the guaranteed income supplement; and thirdly, the pension benefits granted through the Canada Pension Plan or the Quebec Pension Plan.

All those who meet the requirements with regard to age and residence are entitled to old age security benefits. In addition, old age pensioners whose income is lower than a set amount are entitled to a supplement, as I have just mentioned, by virtue of the guaranteed income supplement plan. Contributors to the Canada Pension Plan or the Quebec equivalent are eligible to pensions granted through those two plans, and these also provide for survivors' benefits. Such income maintenance measures are designed to guarantee only a basic minimum income; the government expects that the party concerned will have in due course taken steps to have at his disposal a more important income at the time of his retirement. If this income is inadequate to meet his basic requirements, he can apply for public assistance in his province.

Speaking about public assistance and various income maintenance measures, it might perhaps be useful to explain that those who have reached retirement age can apply for instance, to the Canada Pension Plan and the Quebec Pension Plan. It is also useful to explain that the contributors to those two plans get a pension at the time of their retirement.

The plans were designed to provide workers with a retirement pension related to earnings, and they cover roughtly 92 per cent of all workers.

They also provide for benefits to disabled contributors and their dependents. Upon the death of a contributor, his widow and children are also paid a lump sum and monthly benefits.

The Canada Pension Plan is not in force in provinces where a similar scheme is operated. Hon. Members know that only Quebec provides for such a plan; the Quebec and the federal plans are closely related and are actually operating as one plan. Many thought the Quebec Pension Plan was not identical to the federal plan. On the contrary it is. If an employee insured under the federal plan moves his place of work to Quebec, or if a self-employed worker moves his residence to Quebec, their contributions to the Quebec plan will entitle them to the same benefits as if they had been paid into the Canada Pension Plan and vice versa.

One contribution is enough to ensure entitlement to a retirement pension, but in this case the pension will normally be very low. To be entitled to a disability pension, the contributor must obviously suffer from a disability which prevents him from being gainfully employed. In addition, he must have contributed during at least one third of the years during which he could have contributed, or ten years, whichever is the less, but in any event, he must have contributed at least five years.

In order to ensure that the person was a member of the labour force until fairly recently, the requirements are that he must have contributed during at least five of the last ten years, during which he could have contributed before coming disabled. So that the survivors be entitled to benefits, a person must have contributed during a third of the years he could have contributed or ten years, whichever is the less, but never less than three years.

Old Age Security Act

• (4:30 p.m.)

A retirement pension, as everyone knows, is payable to a citizen between 65 and 70, if the contributor ceases to have a permanent job. If he earns $900 or less, he is considered as retired and can apply for pension. Those who take a job after they receive a pension are subject to a means test. If the income from this job is between $900 and $1500 a year, the pension is reduced by half the amount earned over and above $900, the maximum reduction being $300. If the annual income exceeds $1500, the pension is reduced by $300 plus the balance over $1500. However, no reduction will be made for the months when the pensioner's income is not more than $75, regardless of his annual income. After 70 years of age, however, the pension is paid in full. Whatever the earnings, the limits mentioned above will vary according to the changes made in the pension index.

In its white paper on income security published a few months ago, the federal government proposed several changes to improve this plan.

The proposed changes cannot come into effect before January 1973. It is a mere technicality, because the provinces must be consulted and since the law provides, as I said a while ago, that a three year advance notice is required before any change is made. The main amendments are as follows:

The maximum pensionable earnings will be gradually raised from $5,500 in 1972 to $7,800 in 1975.

Benefits will be based on a maximum average of pensionable income of $7,800 (benefit under the unamended program). The maximum will reach $162 in 1977, from $121 in 1976 when the plan comes into force, over and above old age security benefits.

Disabled persons will receive a maximum of $199 a month in 1973; they now receive $114, which will be increased to $249 by 1977. Wives of disabled contributors will receive a flat amount of $80, when the disabled contributor is less than 65 years old, with dependent children. Widows will receive a maximum of $170 per month in 1973; they are now receiving $71 and will receive $208 by 1977, whatever their age.

Some special adjustments will be necessary. Those receiving pensions as widows or wives of disabled contributors in 1972 will have their benefits adjusted in 1973 according to the scale of increase.

We could go into more detail about old age security. Under an amendment to the 1951 Old Age Security Act, the federal government is paying a standard rate of $80 a month to all persons who meet the age and residence conditions. The old age security system protects almost all aged people, except the few citizens who do not meet the residence requirements.

The old age security system offers a basis on which all Canadians may rely on for their retirement income. This is the standard rate basis on which the guaranteed pensions have been established for the Canada Pension Plan and the Quebec Pension Plan. It is also the base on which the guaranteed income supplement is calculated.

[Mr. Isabelle.]

Mr. Speaker, I would not like to take more of the time of the House to remind the hon. member for Abitibi that I insist that he asks his colleagues to give in the Quebec National Assembly the magnificent speech he has just delivered. I hope the Assembly will take the matter into consideration since the issue that the hon. member has just raised in the House falls under provincial jurisdiction. We have basic security plans, but their application is left to the provinces, as it happens with the Canada Assistance Program, which allows to do a lot of things, but unfortunately the provinces do not seem interested in using it. They had the opportunity to do so, because it is up to them to decide on the implementation of this plan. Again, we have an assistance plan which in my view is extraordinary, which could meet all the needs, and again I hope the hon. member's speech had been made in the Quebec National Assembly.

[*English*]

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it is a pleasure to participate in this debate in order to support the principle of the resolution moved by the hon. member for Abitibi (Mr. Laprise). It is also a pleasure to speak on behalf of that group of people whom I believe are the most deserving in our society and, tragically, in many instances are the most needy. I could not help smiling at the remarks of the hon. member for Hull (Mr. Isabelle) when he reminded the hon. member for Abitibi that he should make sure his speech is drawn to the attention of the National Assembly of Quebec. It would seem to me that a member representing the government party would be much more able to give such advice than a member who sits in the opposition in either the National Assembly or in this House.

Although I support this motion in principle, I cannot support it in its detail, in that the hon. member suggests the pension should be available to the spouse at the time of the passing away of the other half of the family who was eligible. This would make the spouse eligible at a younger age than 65. I agree with the principle, but let us consider this example: Suppose the Prime Minister (Mr. Trudeau) should have a normal life span of three score years and ten, and after he had been eligible for the old age pension for five years he should pass away. That would mean that his surviving wife would be eligible for the pension at 41 years of age.

I do not really think it is necessary to make a surviving spouse eligible at such an early age. Perhaps it would be better to set a minimum age such as 60 years or something similar. I am sure this would meet the need the hon. member has in mind, because I know that very often the surviving spouse is in great difficulty. So in principle I believe this motion represents a real need.

• (4:40 p.m.)

However, Mr. Speaker, apart from that there are several other points which I think are logical, which could well be implemented without any great cost to the government or to the taxpayer and which would substantially help our senior citizens who are eligible for pension. I think there should be an increased exemption

so far as tax is concerned, not only for old age pensioners but for all Canadian citizens. If Parliament was justified in 1949 in setting the exemption at $1,000, with the decreased purchasing power of the dollar and the increased cost of living if we were to set the same standard of exemption today it would be $2,500 rather than $1,000. Perhaps this is not possible so far as the tax budget is concerned, but certainly the $1,000 exemption is not enough. The group in our society that has this problem more than anyone else is composed of senior citizens who are pensioners. There should be an increased exemption for them, although I believe it would be only social justice for the increased tax exemption to be applied to everybody.

There is another way in which I think the pensioner can be helped. Again, I do not think it would cost the treasury much money but it would help the old age pensioner. I think the old age pension should be tax exempt. If we believe that pensions belong to our senior citizens because of their contribution to society and to the nation as a whole, then their pension should be exempt from tax.

I am confident, based on my experience across Canada, that the people who suffer most as a result of inflation and the increased cost of living are not really the unemployed or even those on welfare—although I do not take away from the need of many of those in that category—but are the working poor. There are many people who work the normal 40 hours a week. Suppose they get $70 a week: they earn $280 a month and deductions come off that amount. How can any family live on $260 take-home pay? There are many in that category. Even those earning $100 a week, meaning that the family is trying to live on $400 a month or less because of deductions, are below the poverty line laid down by the Economic Council of Canada.

It is in this area that we have the greatest responsibility. Senator Croll and his Special Committee on Poverty made it very clear that it is in this area that the greatest need exists. There are probably 4½ million people locked into the classification of the working poor. When you project them through the later years in life, what is a difficult situation normally for those in the middle-age bracket becomes much more difficult in the upper-age bracket.

One of the things the government has done, and I agree with it, is to improve the Canadian Pension Plan. Its present projected benefits constitute a far superior type of pension to any previous plan. If the plan proceeds as planned to 1978, a very sizeable pension will be available to anyone who has contributed for up to ten years if their income has been such that they contributed the maximum amount. There is now an indication from the government that they will increase the minimum amount on which tax can be paid, which will result in an increase in benefit to those who earn more than $5,000. But this does not really help the middle group, the working poor, whose income is less than $5,000 a year. It is to these people that the Canada Pension Plan means less because, their contribution having been smaller, their returns are smaller.

So again I think it is very important that the basic pension be broadened to help these people as they enter into the senior citizen group. I believe that this is all part of very legitimate reforms which should be brought in by the government. After all, it is their responsibility to bring about the social justice which they have talked about so much and which certainly belongs to our senior citizens more than to any other group, apart from those who are unable to earn a living or who are incapacitated. Apart from the points which I have raised, I think the principle involved in this motion is a very legitimate one. I hope that the House will give support to that type of legislation.

There are two more comments that I should like to make in closing. It has long been my political philosophy, so far as social responsibility is concerned, that it is sound for anyone in politics, and basically sound as a principle, for us to accept special responsibility for two particular groups in our society. First let us remember our senior citizens, including our parents and those who have reached advanced years, because when we were young it was they who looked after us. Let us also remember the special responsibility that we have to our young people to provide them with an opportunity to earn a gainful living and also to save and to contribute through the productive years of their lives for the time when they become senior citizens, because when we become old it is they who will be responsible for taking care of us.

I think a very sound approach to this area of responsibility is brought before us in this motion. Senator Croll made a very important statement in the first report of the Committee on Poverty when he spoke about the over-all welfare system. He said:

> I think we ought to be able to scrap the system completely. We could actually repeal every one of our social measures, with the exception of the Canada Assistance Plan, the Canada Pension Plan and the unemployment insurance plan, and meet every requirement under the basic definition of "need" in the Canada Assistance Plan, modifying it to some slight extent so it would all fit under an umbrella rather than as now under a tent with 200 or so measures.

This is not the time to talk about welfare, but I wish to draw to the attention of members of the House the fact that the one area which he felt should not be included under a new approach to welfare is the Canada Pension Plan and the Canada Assistance Plan, because I think that in these two areas we are looking at a very special need.

I am grateful for the opportunity to support the hon. member for Abitibi in principle. I hope government members will allow this motion to go to the committee. We cannot be expected to pass it here this afternoon but in committee it could be discussed in a realistic way, to make provision for those in this area of special responsibility. It would not upset the treasury too much, but it would help more effectively to achieve social justice in our land.

[*Translation*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it is my pleasure to say a few words about this

motion, because I agree with my friend the hon. member for Abitibi (Mr. Laprise).

• (4:50 p.m.)

[*English*]

I agree even more strongly in English. The motion is really a very simple one. If I heard him correctly, I think the hon. member for Red Deer (Mr. Thompson) did not quite get the point. The motion does not have to do only with the pension being continued after the death of a pensioner to that pensioner's widow, but more specifically it requests that when man and wife are both alive and one of them is of pensionable age and the other is not, the younger of the two should also draw the pension. I think this is a very commendable proposal and I think it should be supported. And since the motion is only a request that the government should consider the matter, I do not see why we cannot allow it to come to a vote this afternoon.

An hon. Member: Then Margaret would get the pension at 36.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, this is a very interesting bit of byplay about the Prime Minister's young bride, but the hon. member for Abitibi (Mr. Laprise) made it quite clear that his motion does not set out the details. It is a request that the government consider bringing in a measure, and if the government brought in that measure the details would have to be set out in that legislation.

I agree with the sponsor of the motion that it would be appropriate, when putting in the details, to set some age at which this would come into effect. I think he suggested age 60 or perhaps 55, and I think we would all agree that such an age would be a reasonable one at which it would be understood that the spouse of a pensioner would also get the pension.

I am sorry that the hon. member for Hull (Mr. Isabelle) is not in the chamber, because that limits me somewhat in commenting on his speech today. I am always interested in speeches that he makes on pension matters. Today he did not quite give us all the history of pensions that he usually does, but really he travelled all over the world to find ways in which these people could have their needs met without the implementation of this motion. But the hon. member forgot a few things. He forgot about unemployment insurance. Maybe these young wives could qualify for unemployment insurance. Why didn't he try that one? He forgot about workmen's compensation, but maybe he will include that in his next pension speech. And he forgot about the special position of the wives and widows of Members of Parliament.

Why all this beating about the bush? Why not admit that this is a sensible, simple proposition that the hon. member has placed before the House and agree to it, namely, that if one member of a married couple is 65 and gets the pension, then the other member, whether at age 63, 58, or down as far as 55 ought to get the pension as well? I urge that this be done. I commend the hon. member for bringing the motion before the House, not only for that reason but for one or two other reasons as well.

For one such other reason, I think it is a good idea to raise the pension question at every opportunity we can. I say that because when the government brought in a white paper last November and got a pension bill through the House in about 17 days, that was a strange form of participatory democracy. People are only now discovering what was in the white paper and how much of it was wrong. So we have to keep raising the pension question at every opportunity. This motion also provides an opportunity to make one or two other suggestions, but in view of the way the clock is moving I shall restrict myself to just one. I think that just as we have a provision like this in some other pieces of legislation, there ought to be a provision that when one partner of a married couple dies, both of them having been on pension, the pension should continue to the survivor at the married rate for a year or at least for six months. The problem people face in such a situation in getting adjusted, whether it be a widow or a widower, is an extremely difficult one. As a matter of fact the length of time that people live on alone is not so great that we could not continue the pension right along, but at least for a period of a year and certainly for not less than six months the pension should be continued at the married rate.

Mr. Speaker, if I end abruptly I do so deliberately because I wish to leave a few minutes during which a vote may be taken on the motion. I am sorry so much time has been spent in running all around the issue instead of facing up to the simple question involved. I support the motion.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, it is a pleasure for me to seize this opportunity to make a few comments on the notice of motion placed before the House by the hon. member for Abitibi (Mr. Laprise). I might venture to suggest that even the erudite hon. member for Winnipeg North Centre (Mr. Knowles) may have slightly missed emphasizing one of the attributes of the motion, in the sense that as I read it it simply refers to spouse, which can be either a husband or a wife, and it might well be that the motion would apply to situations where an older woman had married a younger man. Therefore, I assume that the hon. member for Abitibi would want, in circumstances when the elder of the two reached pensionable age, which at the moment is 65, that both would receive the pension.

I think it is important to raise a few questions and put them on the record at this time. I am assuming that according to the terms of the motion, when an elder partner in a marriage reached pensionable age the hon. member for Abitibi would want the younger partner to receive the benefits that accrue to the elder partner, regardless of the age of the younger partner, although he did make reference to the fact that we could set an age limit above which the younger partner must be. But it was to be regardless of the financial circumstances of the younger partner.

At face value it seems to me a good idea, as was suggested by the hon. member for Red Deer (Mr. Thomp-

son). For example, a man who is 65 or older and who is married to a woman who is considerably younger could have several young dependent children and might well need extra assistance. Therefore, if he loses his source of income from his work by being pensioned off at 65, and if his wife is much younger, his income may take a drastic slump. In such circumstances this motion would have great merit. However, I think it is inadequate in certain respects.

If the motion were tightened up and made more realistic, I would support it, Mr. Speaker. Therefore, I present two suggestions to improve it. The first is simply that the motion ought to be acted upon provided the spouse of the pensioner will have reached the age of 55 years and, in addition, provided that the first partner of a marriage to become a recipient of old age security will have been—this is the crucial point—the principal wage earner of the home over the five-year period immediately preceding. This would require a spouse to apply and that a family is in a position where both partners are forced to live on the income of one of them, all of which assumes—

[*Translation*]

The Acting Speaker (Mr. Richard): Order. The hour set aside for consideration of private members' business has now expired. As it is five o'clock, this House stands adjourned until Monday at 2 p.m.

[*English*]

Because Sunday is Mother's Day I thought the following lines might be a gentle reminder:

They say that man is mighty
He governs land and sea,
He wields a mighty sceptre
O'er lesser powers that be
But a sovereign—gentler, mightier,
Man from his throne has hurled—
For the hand that rocks the cradle
Is the hand that rules the world.

Mother or ruler, no one can take her place. She is our provider of life and love. Thanks a million, mothers! God bless you and make us worthy sons.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 10, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

AGRICULTURE

PRINCE EDWARD ISLAND POTATO GROWERS—REQUEST UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, under Standing Order 43 I rise to move a motion on a matter of urgent public importance. It arises out of the crisis conditions at the present time in the agricultural industry of Prince Edward Island. This is due to a very long period of below cost prices for our basic agricultural product, potatoes.

The Minister of Agriculture (Mr. Olson) in recent days, in answer both to myself and to the hon. member for Malpeque (Mr. MacLean), seemed to indicate that his only response is that prices are higher at the present time. This answer, I feel, is either misleading or perhaps even dishonest because most of the farmers have already sold their potatoes—

Mr. Speaker: Order, please. The hon. member has previously presented motions to the House under Standing Order 43 and I have had occasion to remind him of the terms of the Standing Order. The hon. member knows that he cannot argue the case. He can only indicate the urgency of the matter which he seeks to raise. The hon. member also knows that under the standing order no opportunity is given to anyone to reply to the motion. Thus, to my way of thinking it is basic and elementary fairness that hon. members should limit themselves to the terms of the Standing Order, indicate briefly what the urgency is, and not make accusations about other members of the House, which is what the hon. member is doing at the present time. I would invite the hon. member to respect the spirit and the letter of Standing Order 43 and propose as soon as possible the motion which he has in mind.

Mr. MacDonald (Egmont): Mr. Speaker, I was deliberately trying to be very brief, but I felt I had to say a brief word in explanation of the urgency of the motion because farmers at the present time do not have potatoes for sale regardless of the present price and desperately need funds for seed and fertilizer in order to get into the new growing season. I therefore move, seconded by the hon. member for Malpeque (Mr. MacLean):

That the government of Canada immediately consult with the government of Prince Edward Island to formulate an immediate program of assistance for P.E.I. potato growers and that the government present this program to the House of Commons within seven days.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Egmont. Under the terms of Standing Order 43 the motion can only be put with the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: The hon. member has heard, as I have, that there are dissenting voices. Consequently the motion cannot be put in this form at this time.

Mr. MacDonald (Egmont): Mr. Speaker, on a point of order—

Mr. Speaker: The hon. member rises on a point of order.

• (2:10 p.m.)

Mr. MacDonald (Egmont): Mr. Speaker, a moment ago in referring to the motion that I presented you suggested that perhaps it is not proper to present argument in the course of proposing such a motion. I would not want in any way to take away from the Minister of Agriculture the opportunity for him to make a statement on motions this afternoon with respect to the very serious situation of the potato producers of Prince Edward Island.

Mr. Speaker: Order, please.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

TAKEOVER BY STEINBERG'S LIMITED OF CARTIER REFINED SUGARS LIMITED

Question No. 646—**Mr. Watson:**

1. Did the Department of Trade and Commerce advise the Bank of Canada and/or the Industrial Development Bank in January, 1965 that it had been informed of a takeover bid by Steinberg's Limited of Cartier Refined Sugars Limited?

2. Did the Department forward a memorandum dated January 7, 1965 from the Commodities Division to the Bank of Canada or IDB outlining the takeover attempt?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): In so far as the Department of Industry, Trade and Commerce is concerned: 1. The Industrial Development Bank was so advised orally on February 1, 1965.

2. No, however, a copy of a memorandum from Mr. Robin Austin of that date was forwarded to the Industrial Development Bank in February, 1965.

Questions

INCLUSION OF ORIGINAL CANADIAN LITERATURE IN PROVINCIAL CURRICULA

Question No. 658—**Mr. Rowland:**

Has the Government of Canada developed a program designed to encourage curriculum authorities in the several provinces to carefully consider the inclusion of original Canadian literature in their curricula and, if not, is the Government considering establishing such a program in the near future?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The Government of Canada has no such program. The Education curriculum is under the jurisdiction of provincial Departments of Education.

[*English*]

*UNEMPLOYMENT INSURANCE RECIPIENT SAMPLINGS, ABITIBI, TÉMISCAMINGUE AND VILLENEUVE

Question No. 923—**Mr. Laprise:**

1. What are the names and addresses of persons designated by DBS or other governmental agencies to determine unemployment insurance recipient samplings in the constituencies of (a) Abitibi (b) Témiscamingue (c) Villeneuve?

2. How are such people paid?

[*Translation*]

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, Statistics Canada (Dominion Bureau of Statistics) does not conduct either sample or full coverage surveys to provide information on unemployment insurance recipients. The Labour force survey, upon which Statistics Canada estimates of employment and unemployment are based, does not include questions relating to unemployment insurance.

[*English*]

YUKON AND NORTHWEST TERRITORIES—UNEMPLOYMENT STATISTICS

Question No. 938—**Mr. Howard (Skeena):**

1. What is the rate of unemployment in (a) the Yukon (b) the Northwest Territories?

2. What is the breakdown of these figures for native population and other residents?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1. The Department of Manpower and Immigration and the Unemployment Insurance Commission report that they do not collect data on unemployment for those areas. Statistics Canada (Dominion Bureau of Statistics) does not collect data on unemployment in the Yukon and Northwest Territories on a regular basis, due to the high cost of conducting labour force surveys in these areas. There are Canada Manpower Centres in Whitehorse and in Yellowknife. They report the following numbers of registered clients without employment on the last working day of December, 1970. Whitehorse, 545; Yellowknife, 429. These numbers represent the count of clients in each office and are not a measure of unemployment.

2. No distinction is made between the native population and other residents.

[Mr. Howard (Okanagan Boundary).]

BEAUCE CONSTITUENCY—DESIGNATION OF INTERVIEWERS BY STATISTICS CANADA TO DETERMINE NUMBER OF UNEMPLOYED

Question No. 954—**Mr. Rodrigue:**

1. What are the names and addresses of the people designated by Statistics Canada or any other government agencies to determine the number of unemployed people in the constituency of Beauce?

2. How many people are consulted during each survey?

3. What is the salary for this work?

4. Are any expense allowances paid apart from the salary?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Statistics Canada (Dominion Bureau of Statistics) reports that: 1. The following people are interviewers for the Labour Force Survey of Statistics Canada (Dominion Bureau of Statistics), in the constituency of Beauce: M^me^ Annette Bisson, C.P. 172, Vallée Jonction, Co. Beauce, Québec; M^me^ Marthe Morin Poulin, C.P. 74, B.P. Bolduc, St. Martin de Beauce, Québec.

2. During each survey, approximately 90 households located within the constituency of Beauce are interviewed for Labour Force information.

3. These interviewers are paid at the hourly rate of $1.92 for time spent on interviewing and receiving instructions.

4. These interviewers receive 13 cents per mile for use of a privately owned automobile. When it is necessary for an interviewer to work in an area which is more than ten miles from their home, the Regional Director can authorize that a meal allowance be paid in accordance with Treasury Board Travel Directive dated June 1969.

ACCIDENTS INVOLVING BUSES

Question No. 1,075—**Mr. Mather:**

1. What was the number of accidents involving commercially operated buses in 1968, 1969 and 1970?

2. (a) How many fatalities resulted from these accidents in each of these years (b) how many injuries?

3. What, in dollars, was the property damage of these accidents?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada (Dominion Bureau of Statistics) reports that: Information on the number of accidents involving commercially operated buses is incomplete because only those commercial school buses operated by intercity or urban transit companies are surveyed. Also, information for 1970 is not yet available. The following information has been collected on Intercity and Rural Passenger Bus Firms for 1968 and 1969. This information includes all motor vehicles that were operated by the carrier.

	1968	1969
Number of companies reporting	159	154
Number of accidents reported	1,053	982
Number of persons killed	23	18
Number of persons injured	471	377
Property Damage	Not available	Not available

The following information has been collected on the number of urban transit buses involved in accidents subject to the limitation of survey response. This information includes all vehicles operated by the transit system.

	1968	1969
Number of companies reporting	82	80
Number of accidents reported	20,045	19,579
Number of accidents involving motor buses	13,891	13,893
Number of persons killed	42	51
Number of persons killed where motor buses involved	19	19
Number of persons injured	6,351	5,771
Number of persons injured where motor buses involved	3,471	3,571
Property Damage	Not available	Not available

WORLD PETROLEUM CONGRESS, MOSCOW—CANADIAN REPRESENTATION

Question No. 1,124—**Mr. Yewchuk:**

Does the government have any plans to send technical representatives to the World Petroleum Congress in Moscow in early June and, if so, who will represent Canada at the Congress?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Canada will be represented at the World Petroleum Congress in Moscow by one technical representative of the Department of Indian Affairs and Northern Development and by a small group of senior officers of the Department of Energy, Mines and Resources and of the National Energy Board.

*EMERGENCY RELIEF REQUESTED BY GOVERNMENT OF NOVA SCOTIA SINCE JANUARY 1, 1971

Question No. 1,178—**Mr. McCleave:**

What amount of emergency relief has been requested by the Government of Nova Scotia since January 1, on what basis and with what response?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the answer to this question is quite lengthy and I wonder if we might have the permission of the House to print it in *Hansard.*

Mr. Speaker: Is this agreed?

Some hon. Members: Agreed.

[*Editor's Note: The above-mentioned answer reads as follows:*]

Mr. Mahoney: In so far as the Department of Finance is concerned, the Government of Nova Scotia has indicated that in view of recent floods in that province a request for assistance may be forwarded to the Federal Government when realistic estimates of the cost of dealing with the flood situation become available. The Federal Government has indicated its willingness to consider assistance to the province on the same basis as it has assisted other provinces which have experienced similar problems in the last few years (see the answer to question 748 on page 3028 of *Hansard,* February 3, 1971).

Questions

In so far as the Department of National Defence is concerned, the following Emergency Flood Assistance was provided to the Government of Nova Scotia since January 1, 1971, in accordance with the Order-in-Council 1962-13/653 dated May 2, 1962.

Bridgewater, N.S.

1. Two Bailey Bridge bearing plates were provided on loan on February 16, 1971 to the Nova Scotia Department of Highways for a Bailey Bridge being erected at Bridgewater to replace the Highway 103 bridge over the Le Havre River, washed away by the weight of ice floes.

2. An Engineer Section of 12 men was provided for the period 17-20 February, 1971, to carry out ice reconnaissance and demolition of ice jams in the area to prevent further flooding.

Truro, N.S.

An Engineer Section of 11 men was provided for the period February 18-March 3, 1971 to carry out reconnaissance and demolition of ice jams in the Salmon and North Rivers near Truro, N.S.

HOUSING—PERCENTAGE OF TENANTS AND HOUSE OWNERS

Question No. 1,210—**Mr. Latulippe:**

What is the percentage (a) of tenants (b) of house owners in Canada and in each province?

[*Translation*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada (Dominion Bureau of Statistics) reports that: The following table shows the percentage distribution of owned and rented dwellings for Canada and the provinces, from the 1966 Census of Canada, and from Household Facilities and Equipment sample of May, 1970.

	Percentage			
	1966		1970	
Province	Owned	Rented	Owned	Rented
Canada	63.1	36.9	64.5	35.5
Newfoundland	84.1	15.9	84.5	14.6
Prince Edward Island	77.4	22.6	80.8	19.2
Nova Scotia	73.7	26.3	74.6	23.8
New Brunswick	70.4	29.6	71.9	26.7
Quebec	47.9	52.1	52.0	47.9
Ontario	67.1	32.9	67.8	32.2
Manitoba	70.1	29.9	70.7	27.8
Saskatchewan	74.6	25.4	77.4	22.6
Alberta	67.9	32.1	66.6	33.4
British Columbia	66.2	33.8	65.3	34.7

[*English*]

CBC—"MID-CANADA" PROGRAM ON WEEKEND MARCH 14, 1971

Question No. 1,226—**Mr. Roy (Timmins):**

With respect to the "Mid-Canada" program on CBC Weekend March 14, 1971 (a) were any alcoholic beverages consumed by CBC researchers and other employees and, if so, was any of the

cost charged to expenses (b) did any of the participants in the program consume alcoholic beverages and, if so, was any of the cost paid or reimbursed by CBC (c) were any of the participants in the program paid or remunerated in any way (d) who were the CBC officials who approved the program as to its objectivity?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: (a) Since the production of the "Mid-Canada" program took place over several weeks, covered numerous communities in Canada and included the filming of sequences for use on both French and English networks, it is not possible to answer this question. (b) Yes, in at least one of the sequences; cost was minimal and was borne by the CBC as an acceptable part of the expense connected with the production of the program. (c) Yes, in accordance with normal practice. (d) The producer and executive producer worked in close collaboration and, as is normal, the program was discussed with the head of current affairs, and with the director and deputy director of information programs at meetings.

[*English*]

MONTHLY PRODUCTION OF CHEDDAR CHEESE 1969 TO 1971

Question No. 1,242—**Mr. Nesbitt:**

What was the monthly production of cheddar cheese for each province from January 1, 1969 until March 31, 1971?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada (Dominion Bureau of Statistics) reports that: The following table shows the monthly production of cheddar cheese for each province from January 1, 1969 to March 31, 1971.

Monthly Production of Cheddar Cheese, by Province, January, 1969 to March 31, 1971, inclusive

Province	January 1969	February 1969	March 1969	April 1969	May 1969	June 1969	July 1969	August 1969	September 1969	October 1969	November 1969	December 1969	Year 1969
						— thousands of pounds —							
Prince Edward Island	101	70	92	190	283	355	333	275	237	139	98	90	2,263
Nova Scotia	117	109	111	159	213	182	129	108	109	124	81	110	1,552
New Brunswick	21	14	29	39	53	76	65	59	54	46	28	19	503
Quebec	3,496	2,716	3,751	4,788	6,558	9,508	9,174	7,649	6,532	6,285	4,741	4,785	69,983
Ontario	2,953	2,495	3,943	6,870	9,289	12,102	11,142	10,359	9,116	7,625	5,071	4,477	85,442
Manitoba	137	148	211	271	344	386	386	339	298	261	205	249	3,235
Saskatchewan	—	—	—	—	—	—	—	—	—	—	—	—	—
Alberta	172	153	189	222	269	313	327	320	281	240	186	210	2,882
British Columbia	116	110	146	176	228	207	121	123	178	138	124	159	1,826
Canada	7,113	5,815	8,472	12,715	17,237	23,129	21,677	19,232	16,805	14,858	10,534	10,099	167,686
	1970	1970	1970	1970	1970	1970	1970	1970	1970	1970	1970	1970	1970
Prince Edward Island	63	39	62	131	195	310	334	229	195	156	86	83	1,883
Nova Scotia	112	123	130	140	160	171	92	106	122	105	52	120	1,433
New Brunswick	16	12	16	28	43	60	54	45	42	35	24	16	391
Quebec	3,965	3,934	4,636	4,997	6,262	8,838	8,696	7,421	6,538	6,104	6,430	6,066	73,887
Ontario	3,706	3,424	4,474	6,325	8,644	10,758	9,481	8,759	7,606	6,819	4,753	3,868	78,617
Manitoba	241	269	369	426	431	503	440	388	326	288	261	288	4,230
Saskatchewan	—	—	—	—	—	—	—	—	—	—	—	—	—
Alberta	216	207	248	271	322	372	376	350	300	254	209	232	3,357
British Columbia	176	167	194	174	228	217	87	103	174	143	152	178	1,993
Canada	8,495	8,175	10,129	12,492	16,285	21,229	19,560	17,401	15,303	13,904	11,967	10,851	165,791
	1971	1971	1971										
Prince Edward Island	63	41	76										
Nova Scotia	124	109	157										
New Brunswick	16	11	14										
Quebec	5,166	4,262	5,637										
Ontario	3,697	3,437	4,382										
Manitoba	294	295	224										
Saskatchewan	—	—	—										
Alberta	229	214	265										
British Columbia	166	183	243										
Canada	9,755	8,552	10,998										

Orders for Returns

MONEY SENT TO UNITED STATES BY CANADIAN ORGANIZED LABOUR AND COMPANIES

Question No. 1,250—**Mr. Alexander:**

To the knowledge of the government, how much money was sent to the United States last year (a) by organized labour in Canada (b) by Canadian companies controlled or owned by United States interests?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada (Dominion Bureau of Statistics) reports that: (a) In 1968, the last year for which information is available, $41,792,000 in Canadian members' per capita taxes were paid to the United States headquarters of international unions. This included contributions of $278,000 to pension plans administered by entities separate from the unions. (b) It is estimated that Canadian companies controlled or owned by United States interests made investment income payments to the United States of approximately $700 million in 1970. These payments include dividends, interest on funded debt and profits of unincorporated branches.

USE OF NRC LABORATORIES BY CONSUMERS ASSOCIATION OF CANADA AND OTHER GROUPS

Question No. 1,252—**Mr. Thomson:**

Does National Research Council allow the use of its laboratories to groups such as Consumers Association of Canada and (a) if so, does NRC charge for such service and on what basis (b) if not, for what reason?

Hon. C. M. Drury (President of the Treasury Board): In so far as the National Research Council of Canada is concerned, the answer is as follows: (a) Yes. NRC Laboratories' services are made available to companies, associations or individual as well as Government Departments and Agencies except in so far as these would conflict with private firms engaged in providing such services. Where the amount of laboratory service warrants charges being levied, it is on the basis of labour, materials, and overhead. When the services provided are of scientific interest to NRC the costs are sometimes shared by NRC and the requisitioner. (b) N/a.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

IMPORTATION OF MOTOR VEHICLES FROM UNITED KINGDOM 1960 TO 1970

Question No. 842—**Mr. Robinson:**

1. How many motor vehicles (automobiles, trucks, tractors and other wheeled vehicles) have been imported to Canada from the United Kingdom in each year 1960 to 1970 inclusive?

2. What is the value of the imports in each of the same years?

3. What is the balance of payment situation between Canada and the United Kingdom for each of the same years?

Return tabled.

[Mr. Howard (Okanagan Boundary).]

IMPORTATION OF MOTOR VEHICLES FROM FRANCE 1960 TO 1970

Question No. 844—**Mr. Robinson:**

1. How many motor vehicles (automobiles, trucks, tractors and other wheeled vehicles) have been imported to Canada from France in each year 1960 to 1970 inclusive?

2. What is the value of the imports in each of the same years?

3. What is the balance of payment situation between Canada and France for each of the same years?

Return tabled.

IMPORTATION OF MOTOR VEHICLES FROM ITALY 1960 TO 1970

Question No. 852—**Mr. Robinson:**

1. How many motor vehicles (automobiles, trucks, tractors and other wheeled vehicles) have been imported to Canada from Italy in each year 1960 to 1970 inclusive?

2. What is the value of the imports in each of the same years?

3. What is the balance of payment situation between Canada and Italy for each of the same years?

Return tabled.

NUMBER OF PUBLIC SERVANTS IN RECEIPT OF SALARIES OF $15,000 AND OVER

Question No. 854—**Mr. Dionne:**

By department, what is the number of public servants receiving a salary of (a) $25,000 and over (b) $20,000 and over (c) $15,000 and over?

Return tabled.

INDIAN POPULATION AND EXPENDITURES ON HOUSING, 1970

Question No. 1,010—**Mr. Korchinski:**

1. What is the Indian population by province?

2. (a) What was the amount of money spent in each province for housing for Indians in 1970 (b) in each case, how many houses were constructed?

3. How much was allocated to each agency in Saskatchewan for housing in 1970?

Return tabled.

NUMBER OF PUBLIC SERVANTS IN RECEIPT OF MORE THAN $18,000 YEARLY

Question No. 1,023—**Mr. Lambert (Bellechasse):**

How many public servants throughout Canada are paid more than $18,000 a year?

Return tabled.

STRIKES AND LOCKOUTS IN CONSTRUCTION AND AGRICULTURAL INDUSTRIES IN 1962 AND 1970

Question No. 1,224—**Mr. Yewchuk:**

1. By province, how many (a) strikes and lockouts (b) workers involved (c) duration in man-days (d) settlements, were there in the construction and agriculture industries during the years 1962 and 1970?

2. For each of the same years, what type of unions and affiliations were involved at the time of the strikes and lockouts in the construction and agriculture industries?

Return tabled.

Mr. Schumacher: Mr. Speaker, I should like to refer to question No. 169 standing in my name which first appeared on the order paper this session on October 14 last. It also appeared on the order paper of last session a year ago last January. I wonder whether some effort might be made to reply to that question in the reasonably near future.

ORAL QUESTION PERIOD

FINANCE

INTERNATIONAL MONETARY CRISIS—CANADIAN ACTION TO ACHIEVE STABILITY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question concerning the currency and exchange difficulties to the Minister of Finance who has just arrived in time. While realizing that the revaluations that have taken place will perhaps benefit Canada's export industries and thereby ease our difficulties, may I ask the minister whether he intends to take any initiative with regard to bringing about a greater degree of stability in international monetary exchanges in view of the tremendous interest of this country and our economy in greater stability?

Hon. E. J. Benson (Minister of Finance): Discussions have been taking place through the International Monetary Fund, Mr. Speaker, and our director at the IMF has been in touch with the government for guidance in these discussions.

Mr. Stanfield: Does Canada intend to call for a special meeting with regard to the present difficulties or the degree of instability that seems to exist? Does Canada intend to call for a special conference or intend to put forward any recommendations for changes in view of the fact we have been through three or four crises in the last three or four years?

Mr. Benson: I am trying to think back to the three or four crises in the last three or four years, Mr. Speaker. Discussions normally take place through the IMF. If it is decided that it is advisable to have a meeting of the governors of the IMF or the Group of Ten, of course Canada will take part.

Mr. Stanfield: In view of the importance of the subject to Canada, is the Minister of Finance taking a position with regard to these difficulties and the present international arrangements regarding foreign exchange? Is the government of Canada making any recommendations or does the government regard it as satisfactory to have a continuing crisis?

Mr. Benson: Of course not, Mr. Speaker. The government of Canada does not regard it as satisfactory. The normal course of discussions is through the IMF. We are taking part in those discussions through our director at the IMF.

Inquiries of the Ministry

INTERNATIONAL MONETARY CRISIS—CANADIAN REPRESENTATIONS TO INTERNATIONAL MONETARY FUND ON METHODS OF FIXING EXCHANGE VALUES

Hon. Marcel Lambert (Edmonton West): I have a supplementary question, Mr. Speaker. Since Canada is a non-conforming member of the International Monetary Fund in that it has floated its exchange rate for 11 months or so, would the minister not think that it would be incumbent upon Canada to make special representations now to the governors of the IMF that special measures be taken to consider alternative methods of fixing exchange values in light of the fact that there now seems to be a breakdown and we have a mess in Europe at the present time?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as my hon. friend knows, studies of the exchange system have been taking place through the IMF. We are participating in these through our permanent director at the IMF.

* * *

AGRICULTURE

INTERPROVINCIAL MARKETING—DISCUSSION WITH PROVINCES—CONSULTATION WITH FEDERAL GOVERNMENT PRIOR TO ESTABLISHMENT OF PROVINCIAL RESTRICTIONS

Mr. David Lewis (York South): Mr. Speaker, may I direct a question to the Prime Minister arising out of continuing developments in obstacles to interprovincial trade in agricultural produce which, if not checked, may extend to other products as well. Has this question been the subject of discussion at federal-provincial conferences or other meetings in the past and, in any case, has the government or any department of government been consulted by those provinces which have established obstacles to free interprovincial trade?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, this subject has been discussed at federal-provincial conferences. The federal-provincial conference on the constitution of last September, I believe, discussed the matter at some length and, as I reported to the House at the time and since, most of the provinces present encouraged us to proceed with great haste with Bill C-176, because they felt that it was an honest attempt to meet the problem. The general subject, which I am sure also interests the hon. member, of the Canadian common market was put on the agenda of the constitutional conference at the initiative of the federal government some time ago. When time is found for that on the agenda, we will discuss the general constitution in relation to the need to preserve the Canadian common market.

Mr. Lewis: Mr. Speaker, I put this question seriously to the Prime Minister. Since Bill C-176 is obviously a permissive piece of legislation which may or may not be implemented by some provinces or may or may not be

accepted by the majority of some producing segments, has the government made any clear statement to the provinces of its policy with regard to a common market in Canada? Would he also consider, in light of developments, placing the subject definitely on the agenda of the federal-provincial conference which is to take place next month in Victoria?

Mr. Trudeau: Mr. Speaker, concerning the agenda in Victoria, personally I would hesitate to suggest that it be put on the agenda. Of course, if the provinces so wish it will be done. But we learned from the previous federal-provincial conference that this matter of a common market is a very intricate and delicate one to discuss with the provinces. As a matter of fact, the leader of the New Democratic Party will remember that when we were discussing jurisdiction over taxation, and indirect taxation in particular, it was even then difficult to come to agreement with the provinces on how perhaps indirect taxation could be allowed to the provinces under the constitution without affecting adversely this Canadian common market. Therefore I would not have great hopes that even if it were on the agenda we could reach a solution in June which would be of a theoretical and constitutional nature. This is why, I repeat, the government has followed the approach of trying to set up, in co-operation with the provinces under the present constitution, national marketing boards of one kind or another.

INTERPROVINCIAL MARKETING—FEDERAL POSITION IN PROCEEDINGS BEFORE SUPREME COURT RESPECTING VALIDITY OF PROVINCIAL REGULATIONS

Mr. David Lewis (York South): May I ask the Prime Minister a final supplementary question. The Minister of Justice has informed us that the government is entering the case that will go before the Supreme Court of Canada on this subject. He has stated that the government intends to defend the constitution, which is a little cryptic and not entirely intelligible. Will the Prime Minister inform the House whether counsel for the federal government will take a position against the constitutionality of these varying provincial steps to interfere with interprovincial trade?

Right Hon. P. E. Trudeau (Prime Minister): I do not believe I can answer, Mr. Speaker, without giving a very intricate legal opinion. I draw to the attention of the hon. member that he knows very well how the constitution reads on this matter. It talks about free movement, without fiscal impediment, between provinces. But the hon. member also knows that the practice of provinces imposing regulations within their own boundaries is one which is also accepted under the past practices of the constitution.

Mr. Horner: No, no.

Mr. Trudeau: That is the reason why the federal government, contrary to the advice of some hon. members, did not think the solution was in going to the courts. That is why we have pleaded with the House to get on with this remedy, Bill C-176—

[Mr. Lewis.]

Some hon. Members: Hear, hear!

Mr. Trudeau: —even if it is not to the satisfaction of the opposition, so that a chance might at least be given to try to implement these national marketing boards.

Mr. G. W. Baldwin (Peace River): I have a supplementary question. As the hon. member for York South stated, the Minister of Justice said, in response to a question from me, that he had instructed counsel to defend the constitution in so far as interprovincial trade and the British North America Act are concerned. As the Prime Minister and the Minister of Justice do not always see eye to eye on legal matters, I ask the Prime Minister if it is the policy of the government that the marketing acts and regulations passed by certain provinces, including Quebec and British Columbia, are repugnant to and offend against the spirit and letter of the British North America Act and should be struck down? If so, which regulations or regulations and acts of which provinces—

Mr. Speaker: Order, please. The hon. member's question is very interesting, but I suggest that he is asking for an opinion, legal or otherwise. The way I understand the hon. member's question, he is inviting the Prime Minister to state whether he feels that certain provincial legislation is contrary to the spirit of the constitution. At that point the Prime Minister would be expressing an opinion legal or otherwise. In those terms the question is not acceptable.

Mr. Baldwin: Mr. Speaker, I was careful to say the spirit of the act. With great respect, in that respect I think that the government, through the Prime Minister, should be entitled to indicate the position it takes with regard to this matter. This is not asking for an abstract opinion of law. Certain regulations have been passed.

Mr. Speaker: Order, please. I certainly do not want to cause difficulties. I am prepared to allow the Prime Minister to answer, but the hon. member will note that I was careful in expressing my view; I said "legal or otherwise". The hon. member says he did not ask for a legal opinion. He asked for a non-legal opinion, and that is also against the rules. Perhaps the Prime Minister might be allowed to reply to the hon. member's question provided it is done briefly, because there are a number of other supplementaries on the same subject.

Mr. Trudeau: In his supplementary, Mr. Speaker, the hon. member indicated that he was not talking in the abstract but about concrete regulations and laws which are now before the Supreme Court of Canada. I must confess that, unlike the hon. member, I would not be so bold as to tell the Supreme Court of Canada what they should be deciding.

Mr. J. H. Horner (Crowfoot): I should like to direct a supplementary question to the Prime Minister. Is the right hon. gentleman aware that if Bill C-176 were passed today or tomorrow trade barriers could still exist and, in fact, might well exist because of that measure?

INTERPROVINCIAL MARKETING—DISCUSSION WITH PROVINCIAL MINISTERS OF AGRICULTURE

Mr. A. P. Gleave (Saskatoon-Biggar): May I direct my question to the Minister of Agriculture. Has the minister met with his counterparts, particularly in Ontario, Quebec but also in other provinces, to discuss the present dislocation of marketing? If not, is he planning a meeting with these ministers in the very near future in an effort to resolve the situation?

Hon. H. A. Olson (Minister of Agriculture): I have not held such a meeting within the last few days but it is generally agreed that as soon as we have the legal authority on which to base an agreement we would meet at once.

Mr. Gleave: Does the minister not consider the constitution as now written a sufficient legal basis upon which to hold conversations with his counterparts in the provinces?

Mr. Speaker: Order, please. That question is certainly not in order.

INTERPROVINCIAL MARKETING—COMMUNICATION OF FEDERAL POSITION TO PROVINCIAL PREMIERS

Mr. James A. McGrath (St. John's East): Has the Prime Minister communicated the attitude of the federal government in this matter to the Prime Ministers of Quebec and Ontario, setting out the position the government intends to take before the Supreme Court and stating that the government considers that the action they have taken is ultra vires of the constitution? Has the prime minister set out that position?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, we set it out last September before the present case went to the courts. As I said in answer to the leader of the New Democratic Party a few moments ago, we did state our position quite clearly in September on the basis of the importance of finding a solution to the marketing problem in Canada. At the time, I repeat, we had the support, if not of every province, of certainly an immense majority of the provinces. I see the hon. member for Crowfoot wants to ask a supplementary. It is true that since then some provinces have apparently wavered in their support of the bill, but I am not surprised; they have been waiting for it for a year and a half because of the hon. member's obstruction.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Before I give the floor to the hon. member for Crowfoot may I point out that we should give a chance to an hon. member representing the party seated at the extreme left of the House. I will allow a few more supplementaries and then invite the hon. member for Bellechasse to ask a question.

Mr. Horner: I rise on a question of privilege.

Some hon. Members: Oh, oh!

Inquiries of the Ministry

Mr. Horner: Hon. members may laugh, but how can one man be so powerful as to stop a whole government? I have been accused of holding up the legislation. I do not think that statement can be justified or substantiated by the Prime Minister or anyone else. I am wrongfully accused.

Mr. Speaker: Order, please. That is debate between the Prime Minister and the hon. member for Crowfoot. Having stated his question of privilege, perhaps the hon. member might now ask his supplementary.

An hon. Member: Don't be so modest, Jack.

FARM PRODUCTS MARKETING BILL—EXEMPTION OF CATTLE

Mr. J. H. Horner (Crowfoot): My supplementary arises out of the Liberal party's policy convention held in April, 1970—I think it was on the third or fourth. They stated then that no provincial barriers should be permitted to prevent the interprovincial movement of farm products. The Prime Minister has based his case for Bill C-176 on the September conference with the premiers. Is he not aware that at that conference the premiers agreed that cattle would be exempt? Cattle are not exempt under the bill and therefore no province can agree with the legislation.

An hon. Member: They are exempt.

Mr. Horner: They are not.

An hon. Member: Read the bill, Jack.

Mr. Speaker: Order. Hon. members are again injecting into the question period debate on Bill C-176. I realize that this is an important matter and that questions can be asked about it, but those questions should not go to the extent of discussing what is or is not contained in a measure which is before the House. Hon. members should bear this in mind.

Mr. Horner: On a point of order, Mr. Speaker, the Prime Minister said the provinces had agreed to early passage of this bill. They agreed on one condition, that cattle should be exempt. Cattle are not exempt at this date and therefore the provinces are disagreeing with the bill.

Mr. Speaker: Order. I am sure all these arguments will be made when we reach the debate on Bill C-176.

[*Translation*]

CONFIDENTIALITY OF PAYMENTS BY CANADAN DAIRY COMMISSION FOR BUTTER STORAGE

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question fo the Minister of Agriculture.

Further to the partial reply to my question No. 1,294 on the order paper concerning the total paid by the Canadian Dairy Commission for the storage of butter during the fiscal years 1968-69 and 1969-70, could the minister tell us why details of payments to individuals or

companies are confidential? Is the House not entitled to know those details?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, it has been the general practice, I think, not to reply to questions of this type asking for exact details, including names, addresses and amounts of particular producers' business with the dairy commission.

Mr. Speaker: I believe the hon. member for Spadina and the hon. member for Fraser Valley West wish to ask supplementaries to the previous question. These are the only supplementaries that will be allowed for the moment on this subject and then we should move on to the next matter.

FARM PRODUCTS MARKETING BILL—EFFECT ON CONSUMER PRICES IN URBAN AREAS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is addressed to the Prime Minister. Has the government made an advance study of the effects of Bill C-176 on consumer food prices in urban areas such as Toronto, Ottawa and other cities across the country?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, if the hon. member would read some of the clauses of Bill C-176 he would note that consumers' interests are to be taken into account.

FARM PRODUCTS MARKETING BILL—CONSTITUTIONAL POSITION IN FACE OF POSSIBLE OPTING OUT BY PROVINCES

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, I direct my supplementary to the Prime Minister. The Prime Minister has suggested to us that the passage of Bill C-176 might avoid certain constitutional problems in regard to import orders and free trade across Canada, and hopefully it will. But does the Prime Minister not agree that should some provinces or any province decide to opt out of the bill the government will still face the constitutional problem if the province that opts out insists on shipping its product into the common market area?

Mr. Speaker: Order. I suggest to the hon. member that this is argument, it is debate, and a question in those terms is not in order. Does the hon. member wish to rephrase his question?

Mr. Rose: If I may raise a point of order, Mr. Speaker, I asked the Prime Minister whether he did not agree and he appeared almost ready to answer.

Mr. Speaker: Order, please. When the hon. member asks a minister whether he agrees or does not agree he is of course inviting argument, and the hon. member puts himself out of court the moment he asks a question in those terms. The hon. member is now apparently agreeing to disagree and wishes to rephrase his question.

Mr. Rose: Mr. Speaker, I should like to ask the Prime Minister whether the government will not continue to face the constitutional problem should a province decide to opt out of Bill C-176 and continue to insist that constitutionally it can ship its products into the common market area covered by the bill?

[Mr. Lambert (Bellechasse).]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am inclined to agree that there will be difficulties even after Bill C-176 has been adopted if we do not get the co-operation of the provinces in the implementation thereof. However, this is not new. The hon. member will remember that as long ago as the Rowell-Sirois commission they were trying to come to grips with the problem of national marketing and the difficulty of reconciling it with provincial jurisdiction. Now, after some 30 years, the federal government has come up with a bill that tries to solve the problem by way of co-operation with the provinces and I am rather distressed that the opposition will not even permit us to try that course.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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THE CANADIAN ECONOMY

FOREIGN OWNERSHIP—ANNOUNCEMENT OF GOVERNMENT POSITION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a question to the Prime Minister. When does the government plan to make public its views on the important matter of foreign investment in Canada, and does it intend to do so in the form of a white paper so that public debate on this matter may take place?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I answered a question in those very terms a few days ago. If the hon. member will look back through a few issues of *Hansard* he will find the answer.

Mr. Hees: Mr. Speaker, I have looked through *Hansard* to see whether a satisfactory answer was given but none was. Would the Prime Minister say when the government intends to make its views known?

Mr. Trudeau: Mr. Speaker, that is the very question I answered last week.

[*Later:*]

Mr. Hees: Mr. Speaker, I rise on a question of privilege. A few minutes ago I asked the Prime Minister to advise the House when the government intends to make its views known on the importance of foreign investment in Canada. The Prime Minister told me he had answered that question last week. I have looked through all the questions last week. I find that on Thursday he answered an unrelated question but in no way did he make any attempt to say when the government intends to make its views known on this matter. Will he please do so now?

Some hon. Members: Oh, oh!

Mr. Hees: Come on, get up on your feet.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Hees: Come on, get up on your feet and stay there.

Some hon. Members: Oh, oh!

Mr. Hees: Mr. Speaker, I rise on a question of privilege. The answer the Prime Minister gave me earlier is the kind of answer we get every day in the House. The Prime Minister is deliberately misleading the House.

Mr. Speaker: Order, please.

Mr. Hees: Come on; have the guts to stand up, little Lord Fauntleroy.

Mr. Speaker: Order, please.

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YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—INCREASE IN AMOUNT OF MONEY ALLOCATED—PROJECT CRITERIA —PROVINCIAL REPRESENTATION

Mr. David MacDonald (Egmont): Mr. Speaker, my question is for the Secretary of State. On a number of occasions I have been attempting to find out from the Secretary of State whether or not further funds will be provided for the Opportunities for Youth program in light of the heavy demands and the number of submissions made under the program. I should also like to know when the minister plans to make public the division of these programs according to the early criteria of a regional mix and the levels of unemployment across the country.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I told the House before that I was confident that additional funds will be made available to the Department of the Secretary of State for this program. I said on many occasions that I thought I would be able very soon to give a specific answer on this matter, and I reiterate this statement. As to the application of criteria for the distribution of projects, I think that they have been clearly established.

As far as the distribution of funds throughout the country is concerned, we said that it would be done on the basis of the unemployment rate among young people in various parts of the country, and this is how the distribution is being done now, that is, according to these criteria.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, I am not sure that the minister heard me when I asked him whether there would be funds additional to the $15 million that has been provided. Perhaps he would answer that question and also indicate what steps are being taken to overcome the considerable frustration of the provinces in having programs adequately and effectively considered by the national office. Would he also say whether steps have been taken to have provincial representation in the national office, as I believe has happened in the case of at least one province?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I think that as far as the first part of the question is concerned, the hon. member is wrong; in fact my answer was so lengthy that I thought you would lose patience, Sir, and ask me to proceed to the second part of the question. The hon. member will therefore find my answer in today's *Hansard*.

As for the second part, if the member knows of a case which is particularly serious, I would ask him to bring it to my attention.

In so far as frustration is concerned, I can understand the young people's impatience, but I announced in the House several weeks ago the deadline we have set—it is May 15 for the final designation of all subsidized projects. We are not quite certain of being ready for that date, but we hope that should delays occur they will be very brief.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, I have a further supplementary. I did not hear the minister answer my previous supplementary about the steps that are being taken. Since there is considerable frustration regarding the consideration of projects on a regional and on a provincial basis, what steps are being taken to have representations directly from the provinces? In the case of Prince Edward Island there seems to be a very poor relationship.

Mr. Speaker: Order, please. The hon. member for Yorkton-Melville.

OPPORTUNITIES FOR YOUTH PROGRAM—NUMBER TO BE EMPLOYED—ADDITIONAL PROGRAMS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a supplementary question for the Secretary of State. Is the minister yet in a position to say with any certainty how many jobs he expects will be created for students under the Opportunities for Youth program?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): No, Mr. Speaker, not with certainty, not with any certainty whatever at this stage.

[*English*]

Mr. Nystrom: In view of the fact that thousands of students are still likely to be without jobs this summer, is the government contemplating any further programs to employ students?

[*Translation*]

Mr. Pelletier: Not as far as I know, Mr. Speaker. However, the programs that are put into effect, and about which the government never said that they would completely solve the problem, do reduce it considerably, and this the hon. member may see for himself if he takes a look at what is going on in the provinces.

Inquiries of the Ministry

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—PROJECT CRITERIA

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a supplementary to the minister. Do the criteria adopted by the department take into account the provinces as opposed to regions, and do they take into account such factors as the rate of unemployment per province and the population per province, because the projects so far approved for my own province, which has the highest rate of unemployment in the country and the fewest opportunities for jobs, would indicate that this is not so?

Mr. Speaker: Order, please. Perhaps the minister might be allowed to reply briefly, but again I bring to the attention of hon. members the fact that we will be running short of time and we have considered only two or three subjects so far.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): To all the questions asked by the hon. member, Mr. Speaker, the answer is yes. However, when he states that unemployment among the young is higher in his province than in any other, he is mistaken.

[*Later:*]

[*English*]

Mr. McGrath: Mr. Speaker, I rise on a question of privilege. I am sure the Secretary of State did not mean to indicate I was trying to slander my province by my question. The translation indicated that the Secretary of State did not understand my question. I did not indicate in my question, nor did I mean to, that there was the highest rate of unemployment among young people in Newfoundland. What I said was that my province had the highest rate of unemployment—period.

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AGRICULTURE

POTATOES—PROPOSALS BY PRINCE EDWARD ISLAND AND NEW BRUNSWICK FOR FEDERAL ASSISTANCE—RESOLVING OF DIFFICULTIES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to direct a question to the Minister of Agriculture. Have the difficulties he referred to in his reply to the hon. member for Egmont last Thursday in respect of the proposals made by the Ministers of Agriculture of Prince Edward Island and New Brunswick regarding assistance to the potato industry in those provinces yet been resolved?

Hon. H. A. Olson (Minister of Agriculture): No, they have not, Mr. Speaker. One of the difficulties, which I did not spell out at that time, is that they are not asking for a deficiency payment but rather for assistance with regard to seed potatoes for this season. I am sure the hon. member will realize this is not one of the practices under the aegis of the Agricultural Stabilization Act. The other problem in regard to the 1970 crop is that returns to producers for the two areas have been running between 95 per cent and 100 per cent of the long-term average. This also has to be considered.

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CRIMINAL CODE

INQUIRY AS TO DEBATE ON ABORTION

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a completely non-controversial question I should like to direct to the government House leader. In view of the fact we are now into the month of May and the Speech from the Throne last October promised a debate on abortion, is the minister in a position now to say when we are going to have this debate?

Hon. Allan J. MacEachen (President of the Privy Council): No, Mr. Speaker, I am not in a position to do so. I can assure the hon. member that it will take place before the end of this session.

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FISHERIES

SWORDFISH—ASSISTANCE TO FISHERMEN BECAUSE OF CONTAMINATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct my question to the Minister of Fisheries and Forestry. In view of the economic hardships faced by swordfishermen in Atlantic Canada caused by the mercury content in swordfish, has the minister established a policy to assist these fishermen and, if so, when can we expect the details of this policy to be announced?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the task force working on the swordfish problem has reported to both the Nova Scotia and federal governments in this connection. Negotiations are being pursued by our two governments to resolve this difficult problem.

SURVEILLANCE OF FOREIGN FISHING FLEETS IN CANADIAN WATERS

Mr. Lloyd R. Crouse (South Shore): In view of the criticism levelled by the Fisheries Council of Canada that surveillance of foreign fishing fleets in Canadian waters was not being adequately maintained, has the minister worked out a formula with his colleague the Minister of National Defence on this matter, and how will information on the activities of foreign fleets be conveyed and provided to the Canadian fishing industry?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, there is close co-operation between the Department of Fisheries and Forestry and the Department of National Defence in this connection. I might add that surveillance by the Department of Fisheries and Forestry has continued and with our new closing lines the difficulties of policing Canada's exclusive fishing zones is much reduced.

COMMUNICATIONS

JURISDICTION OVER TELECOMMUNICATIONS AND BROADCASTING—FEDERAL POSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Secretary of State. In light of the fact that Quebec and Ontario now claim varying degrees of jurisdiction over telecommunications and broadcasting, is the government sticking to the position that the federal government has clear authority over broadcasting, including cable television, or is it going to consider this as an area of concurrent jurisdiction? In order to avoid asking a supplementary question, may I ask whether some conference will be arranged to resolve this policy anomaly?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I believe the first part of the question does not call for an answer in absolute terms. I think the hon. member will agree with me: for instance, to state that broadcasting falls within the exclusive jurisdiction of the federal government or within the exclusive jurisdiction of the provincial governments, does not make sense considering the nature of our modern means of communications.

Concerning the second half of the question, I would say that we are willing—as we have stated so many times—to consult with the provinces after having, however, established—and intending to establish it even more specifically—that we consider some points of federal jurisdiction as being non-negotiable.

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[*English*]

GRAIN

SEPARATION OF TRANSITIONAL PAYMENT FROM STABILIZATION PLAN BILL

Mr. John Burton (Regina East): Mr. Speaker, I should like to direct my question to the minister in charge of the Canadian Wheat Board. In view of the very strong objections voiced by the Canadian Federation of Agriculture to Bill C-244, the grain stabilization plan, and its recommendation that the transitional payment be separated from the permanent plan, is the government now considering separating these two features of Bill C-244?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I disagree with the first comments of the hon. member. It has been made perfectly clear that the various portions of Bill C-244 stand together as a whole and must proceed as a whole in the view of the government.

Mr. Speaker: Order, please. I suggest to the hon. member that we should not transpose the question period by referring to debates which are progressing and proceeding to some extent in the House. I believe that after orders of the day are called the bill to which the hon. member has alluded will be considered by the House. I doubt whether it is in order to use the time of the question period to ask this kind of a question.

Mr. Burton: I have a supplementary question.

Inquiries of the Ministry

Mr. Speaker: The Chair will allow a supplementary question but I hope it is acceptable from a procedural standpoint.

Mr. Burton: My supplementary question is designed to facilitate consideration of the bill. In view of the widespread public interest in Bill C-244, will the minister facilitate steps to ensure that witnesses will be heard when the bill is before the committee?

Mr. Speaker: Order, please. I suggest to the hon. member that this again anticipates an order of the day and that the question in those terms is not in order.

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INQUIRY OF THE MINISTRY

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to ask the right hon. Prime Minister whether it will be necessary to have the difficulties in respect of Bill C-176 resolved by legislation, by decision of the Supreme Court, or by making funds available under Bill C-244 before he will call a by-election in Assiniboia?

Mr. Speaker: The hon. member for Edmonton West.

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IMMIGRATION

INQUIRY AS TO TABLING OF WHITE PAPER—AMENDMENTS AFFECTING IMMIGRATION APPEAL BOARD

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration whether he is in a position to tell us that he is going to bring forward his white paper on immigration and amendments to the Immigration Appeal Board Act before the end of June?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I indicated not long ago in answer to a question regarding legislation at least that I hoped so. There has been no decision yet as to the date by which it may be possible to bring forward a policy statement regarding immigration in the broad sense.

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FISHERIES

TREATMENT OF RIVERS FLOWING INTO GEORGIAN BAY AND LAKE HURON WITH LAMPRICIDE

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I should like to ask the Minister of Fisheries and Forestry whether streams and rivers flowing into Georgian Bay and Lake Huron will be treated with lampricide this year? If not, what areas are receiving attention for lamprey control, and are sufficient funds available to cope adequately with the problem?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I do not know the answer to that question but I will endeavour to get it to the hon. member as quickly as possible.

Inquiries of the Ministry

EXTERNAL AFFAIRS

RECONSIDERATION OF ECONOMIC SANCTIONS AGAINST RHODESIA

Mr. F. J. Bigg (Pembina): Mr. Speaker, I have a question for the Secretary of State for External Affairs. Would the minister reconsider our present attitude toward economic sanctions against Rhodesia, taking into account the fact that Rhodesia is offering employment opportunities to a wide variety of Canadians?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. The government of Canada intends to abide by the sanctions endorsed by the United Nations.

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UNEMPLOYMENT INSURANCE

STAFF REDUCTIONS IN OFFICES IN ATLANTIC PROVINCES

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to ask the Minister of Labour whether he can state that the Unemployment Insurance Commission offices in seven or more Atlantic provinces' centres will not be reduced in staff by July 1?

Hon. Bryce Mackasey (Minister of Labour): No, Mr. Speaker, I cannot give that assurance. The only assurance I can give is that the unemployment insurance organization is designed to give the best possible service to people and not necessarily to please the employees at work.

Mr. Comeau: Mr. Speaker, in view of the controversy surrounding this matter, would the minister be prepared to make a statement on motions explaining exactly the changes that are taking place and what effect they will have on the offices as they exist?

Mr. Mackasey: Mr. Speaker, the bill in question is before a committee of the House and these questions are now, I presume, being directed in this regard.

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REGIONAL ECONOMIC EXPANSION

EFFECT OF ONTARIO BUDGET ON PROGRAMS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Regional Economic Expansion. Has the minister had a chance to examine the budget of the Ontario government in which it offers tax incentives to industry? Will he state whether he thinks this will affect the federal government's programs, and is a change in the kind of grants available being considered?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I am aware of that. The department is reviewing the implications of that budget, but we do not believe it will affect our programs.

[Mr. Davis.]

[*English*]

Mr. Saltsman: Can the minister say when he anticipates he will be concluding his study and assessment of the situation and be able to report to the House?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I did not intend to report on this matter. We merely want to know if there is any incidence on our own programs and we do not see any.

* * *

[*English*]

FAMILY ALLOWANCES

PROPOSED DISCONTINUANCE IN CASE OF HIGHER INCOME FAMILIES—INTRODUCTION OF LEGISLATION

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of National Health and Welfare. Can he indicate whether it is his intention to proceed with the previously proposed change in the family allowance plan which would discontinue family allowances to upper income families? Is it the intention to proceed with this during this session?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I believe I have already indicated several times, particularly during the latter part of last week, in answer to a similar question that we are entertaining various suggestions for improvements in various features of our proposals in the white paper. These suggestions are coming in now and we are going to consider them. We hope to have legislation before the House in the fall.

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POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—DISCUSSION WITH QUEBEC ON DIVERSION OF WATERS—STUDY OF ECOLOGICAL EFFECTS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. Has the federal government had any discussions with the provincial authorities in Quebec on the diversion of waters southward from rivers now flowing into Hudson Bay?

Hon. Jack Davis (Minister of Fisheries and Forestry): The answer is no, Mr. Speaker.

Mr. Harding: Will studies be initiated by the federal government on the possible ecological effects of any diversion?

Mr. Davis: That is a hypothetical question, Mr. Speaker. I do not believe that any diversion southward is being considered.

• (3:00 p.m.)

GOVERNMENT ORDERS

PRAIRIE GRAIN STABILIZATION ACT

PROVISION FOR PAYMENTS TO WESTERN CANADA PRODUCERS IN YEARS WHEN RECEIPTS BELOW FIVE-YEAR AVERAGE

The House resumed, from Friday, May 7, consideration of the motion of Mr. Lang that Bill C-244, respecting the stabilization of prairie grain proceeds and to repeal or amend certain related statutes be read the second time and referred to the Standing Committee on Agriculture.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, the other evening when we were debating this bill I suggested to the hon. member for Saskatoon-Humboldt (Mr. Lang), the minister in charge of the Wheat Board, that one reason the government could not charge a percentage of net income under this stabilization bill was that farmers had so little net income from the grains industry. It would not be practicable to do this.

I should like to suggest to the minister in respect of the threat to withhold $100 million in transitional payments from grain producers in order to get them to swallow Bill C-244, a universally unpopular scheme, that this represents money which rightfully belongs to the farmers now, and includes what they would normally receive this year under the Temporary Wheat Reserves Act. This $100 million is an overdue obligation. The sum has been arbitrarily fixed, according to the minister in charge of the Wheat Board, but it is related to the payment which farmers would normally receive under an agreement which is to be cancelled with the passage of this bill. If the bill should not pass, the Temporary Wheat Reserves Act would remain in effect and payments under the act would have to be made on July 31 this year. Farmers are being bribed by the threat of the withholding of money which is rightfully theirs. They are being bribed in order that they might swallow a long-term plan which every grain producer and producer organization in this country condemns as disastrous in its long-term results.

This is not a $100 million bonus. It is an overdue obligation that is owed to the prairie grain farmer. It is a reprehensible act for the government to seek to force passage of an unpopular long-range scheme by suggesting that the money will not be forthcoming unless the bill is passed. The government is under a clear obligation to pay it, stabilization act or no stabilization act. If a two-price system, long demanded by prairie farmers, had been in effect during the past two years when world prices were disastrously low, the farmers would have had an effective bulwark against inflationary costs and a stabilization scheme which made sense during periods of acute fluctuation. As representatives of the grain producers have argued, consumers in Canada have no right to eat cheap bread. If the consumer were to pay a price commensurate with the price paid for everything else in Canada, the price of wheat would be at least $1 a bushel higher than it is at present. Considering that we consume between 50 million bushels and 60 million bushels a year, this would represent $50 million or $60 million which the Canadian consumer, not the Canadian taxpayer, would be paying for this wheat.

We would argue that this would be the proper course. Why should the Canadian consumer get cheap wheat? If the government suggests that it should provide cheap wheat, flour or bread for the Canadian consumers, then it has an obligation to pay the money to the Canadian farmers and has no right to make threats to withhold it. A statement of intent with regard to the stabilization bill came to my office this morning. It is put out by the Canadian Federation of Agriculture. I should like to quote one, two or three passages from it which I believe have some bearing on this subject. It also includes an expression of opinion of the farmers and farmers groups on this bill. I quote:

> It is clearly and unmistakably the federal government's responsibility to ensure that the special payment is made and made soon, while also ensuring that adequate opportunity is given for the consideration, modification and improvement of the long term proposals contained in the bill.

I would like to quote another passage from the Federation brief:

> It must be recognized that this bill is clearly designed to place definite limits on the federal obligation to support prairie income, even in the face of chronic income inadequacy.
>
> It is also a policy which has a major objective the protection of the prairie and national economy—the businessman and the farm supplier—from the impact of sharp income fluctuations. It would be a great fallacy to view it as anything else.

In one of the recommendations at the end of this brief, the Federation has this to say:

> It is just not right that we should be the only, or virtually only, wheat producing nation that accepts world price levels as an adequate guide to prices that should fairly be paid in the market place by domestic consumers. It is a shocking fact that in the entire post-war period since the Second World War there has been essentially no increase in grain prices and therefore no increase whatever in the amount the farmers receive from flour and cereal products sold to the consumer. This must be corrected by substantial increases in the price received by the farmer for grain used for domestic human consumption. The impact on the consumer would in any case be very small. The great bulk of the cost of cereal products to the consumer is transportation, processing and distribution.

I submit that the price the farmer receives for wheat is clearly out of proportion to the price that consumers pay for anything else. Had it not been for farmers engaging in the most efficient possible production of cereal grains on the Prairies, the bulk of farmers would have gone bankrupt before now. When we look at the increase in costs which farmers face we can only wonder how they still exist. We have seen great modifications take place in farm communities because of the economic pressures placed upon them by low grain prices.

I would like to ask the minister which farm group advocated the changes indicated in the stabilization bill? Obviously, it was not the Federation of Agriculture, because in its brief it has just said as much. Did the National Farmers Union advocate some of the changes? Was it the Palliser Triangle group? Did the Wheat Board suggest these changes, or the Grain Exchange? Are we to

assume that Ottawa knows best, or that the minister himself thought out these changes? Is the minister going to encourage these different groups to have witnesses appear before the Agriculture Committee to suggest changes in the legislation?

I would like to deal with some of the figures implicit in the bill. If we take the fairly top figure of $900 million, the 4 per cent works out at $36 million. When we consider that the government saves some $40 million in storage charges by doing away with the Temporary Wheat Reserves Act, and saves an average of $6 million by doing away with PFAA, we find these savings total $46 million. If my arithmetic is correct, under the proposed changes the government will actually save $10 million on the whole transaction. If that is aid to the farmers, Mr. Speaker, I would like somebody to explain it to me, because on the basis of these figures it looks as though the government is saving money.

I grant you that if individual farmers are going to take up more crop insurance, then the costs to the government will be higher. Taking a top of $15,000 for the individual farmer, the 4 per cent comes to $600, which would be less administration costs. I cannot see where this necessarily has any relationship to the costs of that farmer. It might even be argued that it is too much, but how does anyone have any way of knowing? Does the taxpayer know that this is a fair sum to give to a farmer with a gross of $15,000? I do not think the minister has presented a very clear case on whether it is or is not. Anyway, now that the individual farmer will have to carry crop insurance on his own because PFAA will be done away with, we realize he has to pay a 6 per cent to 9 per cent premium. I phoned an insurance agent in my area the other day to see what the cost would be and those were the figures he gave me.

While it is difficult to arrive at a cost for crop insurance for a grain farm of a size that would yield a $15,000 income, because of the different rates applicable to different farms, I suggest the cost would run to several hundred dollars. Again, I do not see how this 4 per cent that the government is suggesting has any relationship to the costs the farmer faces, whether it be in relation to crop insurance or anything else of this nature. By and large I suggest that the 4 per cent would hardly look after the increase caused by today's inflation. A tractor required to work two sections, which in most cases is what a farmer must have in my part of the country in order to make a gross income of $15,000, would cost about $10,000, and there would be a similar cost for a combine. Admittedly, these costs are spaced over a period of years, but I suggest that the aid proposed by this bill does not correspond to the actual costs involved.

I would like to talk briefly about the contribution of the grains industry to the national economy. Since western Canada was first developed the grains industry has exported billions of bushels of grain bringing a great deal of new money into Canada. Over the last few years this new money has amounted to as much as $1 billion and even $1.2 billion. It has averaged between $500 million and $1 billion. Mr. Speaker, grain is a renewable resource, and it has generated much economic activity throughout the country. I recall reading a short time ago, when we made one of our big sales to China, about the effect which this sale would have on the port of Vancouver. The people involved in the grain handling industry were shaking hands with themselves. They said their share of the deal would be $40 million. When the minister is planning aid to the grains industry, I ask him to consider whether his proposals have any relationship to the well-being of the industry or whether his proposals are just designed to keep it in a state of hand-to-mouth existence.

Is the minister concerned about the social implications of this plan for the people in the industry? Does he consider what the grains industry means to the well-being of the national economy? Farming is no longer a subsistence industry but a cash and carry one. Nowadays the number of in-puts is larger. In the spring many farmers have to purchase 20 tons to 30 tons of fertilizer, at a cost of $30 a ton. That generates a lot of activity in the economy generally and provides a great many jobs. When we consider the aid we are giving to some other industries, such as $12 million for one pulp mill which does not have a significant impact upon the economy, I wonder if it would not be more reasonable to look for a different approach to the problems of agriculture. This is an industry which has done a great deal for Canada, and hopefully will continue to benefit not only farmers like myself but the country as a whole. I think we have been concerned with regional development primarily because of the jobs involved. However, the grain industry itself has provided a great deal of employment on the Prairies and on a long term basis a healthy, viable agricultural industry will continue to provide employment.

• (3:10 p.m.)

I suggest to the minister that he should again consider the different aspects of that 4 per cent. Taking everything into consideration, I feel that the farmer's contribution is too high and the government's percentage should be increased. I was speaking to a member of this House who is involved in a different type of business and he told me that he receives a tariff protection of 11 per cent. What could the grain industry not do with 11 per cent instead of 4 per cent? It may be that the 11 per cent is too high and some effort should be made to remove this kind of protection. Obviously, some sections of Canada receive much better treatment than others. I suggest that the grains industry has not yet received its fair share of the national income when we take all factors into account.

Mr. Cliff Downey (Battle River): Mr. Speaker, it gives me a great deal of pleasure to make a few comments on this bill which could very well be referred to as a two factor bill. One factor is very beneficial and will bring something like $100 million to the grains industry, which is at present in dire need of it. This amount provides something like $560 for each of the 181,000 farmers in western Canada. On Friday afternoon the hon. member for Saskatoon-Biggar (Mr. Gleave) moved an amendment which would separate the payment provision from the

stabilizing provision of the bill. I do not understand why this amendment was not supported to a greater extent. It is obvious that the payment factor is completely unrelated to the principle of the stabilization program and the provisions that are inherent within the plan. There is no doubt in the mind of anyone who looks at it from an unbiased point of view that the $100 million is merely a bribe to try to get legislation through that will actually reduce the ultimate government payout to agriculture in this country.

I should like to read some comments with regard to the $100 million payout which were presented by the Federation of Agriculture in a brief presented in reference to Bill C-244, the Stabilization Act:

> We cannot accept the assumption, as a ground rule set by the government, that to get the immediate payment the long term policy must be accepted. It is clearly and unmistakably the federal government's responsibility to ensure that the special payment is made and made soon, while also ensuring that adequate opportunity is given for the consideration, modification and improvement of the long term proposals contained in the bill.
>
> The urgent necessity of immediately supplementing the incomes of Prairies farmers is clearly seen in the disastrous figures on farm income recently released by Canada Statistics.

From page 5 of the brief I read:

> The national responsibility to protect the farmers' prices when these are especially depressed as a result of competitive subsidization, and world surpluses in relation to commercial demand.

On the same page I find the following:

> The transitional payment must be made immediately and not made conditional either upon acceptance of the rest of the bill as it stands or upon its rapid passage.

Then, the conclusion is:

—the bill is not acceptable as it now stands.

The other afternoon the minister said that one part of the bill was contingent upon the other. He knows better than that, Mr. Speaker. He is trying to mislead the public, because he knows very well that the payment of part could be put through as an estimate. The passage of such an item would take only part of a day, and the payment could be made to the farmers of this nation without accepting the principle of stabilizing their incomes at their present level. Referring to this matter of misleading the public, a press release dated May 7, 1971 issued by the minister in charge of the Wheat Board reads:

> "It is simply a filibuster, and for no apparent reason," said Mr. Lang, who is minister responsible for the Canadian Wheat Board. "If it continues, it could cost the western farmers $100 million this year.

As reported in *Hansard* of the same date, the minister said in this House:

> I think it important and I urge hon. members opposite to give up their constant reference to some malicious intention on the part of the government.

I say again, Mr. Speaker, that this $100 million payout is in no way contingent upon the rest of this bill. The rest of the bill is unacceptable, and this payment could be made through an item in the estimates. The farmers could have the money in their pockets within a few weeks.

The other factor of the bill which we are being asked to accept—and they are hoping that the farmers will put pressure on us to get it through—is the intent to stabilize poverty. At page 8 of their brief, the Canadian Federation of Agriculture stated:

> If not improved as we recommend, the initial impact of the act will likely be for a period to in fact reduce the level of income available to the producer, because of the deduction of the levy and the termination of the Temporary Wheat Reserves Act. Moreover, the protection afforded to the level of farm income will be altogether inadequate over time.

That is a clear statement of the situation. It is useless to talk of stabilizing farm income today when farmers are going broke and their credit is stretched tight. Then, the minister comes along and says he is going to stabilize this situation. It is just as if a group of social workers were to go into the slums of Chicago, Detroit or even New York and tell the people not to worry. These people could be sleeping in the street, and they would be told, "Don't worry; your condition could be worse. We will stabilize your present condition." That is exactly what we are saying to the farmers of western Canada in this bill. We want to stabilize their incomes at near bankruptcy levels.

• (3:20 p.m.)

Last year the incomes of farmers in western Canada were the lowest since 1955. If you bear in mind the 45 per cent erosion in the value of the dollar, you can see that this bill will only make worse what is already an intolerable situation. The government proposes paying out to the farmers of western Canada $100 million, and nobody disagrees with that. On page 5604 of *Hansard* the minister suggested why the government would not pay out under the stabilization program this year. He said in part:

> —we came to the conclusion that it would be better not to try to tie the payment to the stabilization fund formula this year. For one thing, the figures would not be available in time or in full, and for another it seemed possible this year to allow the payout to go not only to those farmers who had been marketing their full share—

In other words, the government did not have all the figures available for this year. Yet that is not the main reason, I suggest, for the $100 million figure. The government knew that if the average were based on some past years, the amount it would have to pay out would be between $200 and $250 million, and not $100 million. The latter figure has been brought about as a result of the drastic reduction in grain sales and that, in turn, reduced the averages which will come into effect when the program is implemented. Last year was one of the worst years farmers have experienced in the last 20 years. The payout will be made on the basis of this low long-term average, and that will make it more difficult for farmers to obtain more from the stabilization fund in future.

Let us see how much money will be saved for the federal treasury as a result of doing away with certain plans. The federal government has been putting between $60 million and $70 million into the Temporary Wheat Reserves Act program. The government is doing away with the Prairie Farm Assistance Act with respect to which it spent each year $6 million on average. Look at the action taken last year by the Canadian Wheat Board. Admittedly it had to reduce wheat prices by between six and eight cents a bushel, yet the floating of our dollar cost the grain producer approximately $90 million. Look at what has happened under the Lift program. The government paid out under the Lift program something like $58 million or $59 million. The net loss to producers under the Lift program is hard to imagine. The amount farmers lost as a result of their inability to grow grain totals hundreds of millions of dollars. Figures have been bandied about in this House. When the Lift program was announced, figures of $125 million and $150 million were thrown about. Those were the amounts that were to be paid out under the program. When I asked the minister about these figures in the House last fall, he said that they were hypothetical figures and that, instead of the payout under the Lift program approaching $140 million, it was between $57 and $59 million, or in the neighbourhood of $60 million. Yet the people of urban Canada who had heard about the big, glorious figure of $150 million to be paid out under the program said to themselves, "Just look at all we are doing for our farmers; isn't that great."

If you look at Wheat Board reports you will see listed big, potential grain sales which were announced but fell through. There is page after page of orders which have not been taken up, yet all our people think that this government has been doing a great job. As I say, all they need to do is look at reports of the Wheat Board. They will see exactly what is being accomplished with regard to these sales. At any rate, what do all these savings to the federal treasury represent? Anybody who looks at the figures will discover that this country is in a far better position to support agriculture than some other countries are. I believe that these figures were mentioned in the House the other day. To support agriculture, Canada spends about $300 per capita, whereas a little country like Switzerland spends $1,500 per capita to support agriculture. We are reducing our payouts to agriculture.

May I return to the stabilization concept? This concept, which will stabilize incomes in rural Canada at poverty levels, is ridiculous. It is difficult to know why a minister like the minister in charge of the Wheat Board, who supposedly has had some association with the farm belt in the past, should support this kind of program.

While we are talking about stabilizing the incomes of farmers, let us look at some of the increases in wages that have been granted elsewhere. In London, Ontario, sheet workers' hourly rates have gone from $5.40 to $7.60, a two year hike of 40 per cent, plus fringe benefits. Plasterers in Toronto have a new contract which takes them from $5.70 to $6.90 next year.

[Mr. Downey.]

An hon. Member: They have a union.

Mr. Downey: One recent study of 27 United States areas recently found that workers in seven of the lowest paid building trades already average $11,342 yearly in wages and fringe benefits. In Indiana, iron workers average $15,828 a year, while in southern California the figure for carpenters is $22,234.

Mr. Benjamin: Does the hon. member have any figures for doctors' incomes?

Mr. Downey: You could include figures for doctors' incomes and bank profits as well.

Mr. Benjamin: And lawyers.

Mr. Downey: Let us look at the levels at which other segments of the population are being asked to stabilize their incomes. I read one statement that wage settlements in the construction industry have been twice as high as they were in manufacturing generally. In 1970, the average contract settlement in the building trades called for first year increases of 18.3 per cent, compared with 8.1 per cent in manufacturing.

Another article is headlined, "Toronto plasterers get 21 per cent raise to $6.90 an hour over two years". The increase represents an increase of 21 per cent over the current wage rate. The same article reads in part:

A number of Toronto area construction unions have their eye on a reduced work week of four eight-hour days and four hours on Fridays. At least six unions are on a 37½-hour week.

Can you imagine the length of the farmer's work week after his income has been stabilized at near bankruptcy levels? Incomes for people in the rest of the community are increasing. It is small wonder that an article in the Edmonton *Journal* of Wednesday, March 24, indicates that few university graduates want to return to the farm. The article reads:

• (3:30 p.m.)

The economics of today's farming work is against many trained young men staying on the farm after they marry.

It then refers to the remarks of Mr. K. R. Parker, acting coordinator of agricultural education in Alberta.

He says better income prospects have been found in off-farm occupations because of the small returns on farm investments.

If the designation of the minister in charge of the wheat board could be changed to the minister in charge of getting rid of farmers, it would certainly be more appropriate in view of what is contained in some of the programs he has introduced. I heard a story one time about a professor. I have heard that the minister in charge of the wheat board may have been a professor at one time. This story concerns an election campaign. Several candidates were vying for the position, including a druggist and a farmer, a pretty tough old rancher from down by the "crick". They were both presenting their reasons why the people should vote for them. After the druggist made his pitch, the farmer made his.

The farmer said that although the druggist was a fine fellow and a good druggist, this was a farming community. He said that a farmer should be elected to Parliament to deal with their problems. He asked the people whether they could imagine a druggist out on the range or himself working as a druggist. The farmer had long hair and was not too clean. He said that if he were a druggist, he might mistakenly give birth control pills to a woman who was looking for saccharine tablets and she would have the sweetest babies this side of heaven. In light of this, I suggest that we should not have professors looking after our farm problems. We should have people who are a little closer to what really goes on in the farm belt and are aware of the problems.

With regard to the income stabilization, I cannot help but associate the horrible conditions that now exist with stabilized poverty. In the 1930's there was almost as big a disaster in the farm belt as under the present reign of the Liberal government. The only difference is that there were compounding features then, such as drought and grasshoppers. What would have happened if in the 1930's someone had had the same foresight as the minister and introduced a program of stabilized farm incomes? With a program such as this, there would not have been any payout for over 20 years. There would not have been any payout during the crucial and critical 1930's. This illustrates what this plan is really all about.

Some provincial representatives think that this bill is all right. I suggest that they are being bribed politically to do so. They see a little of this $100 million coming their way. They are afraid of what Ottawa might do if they do not subscribe to the stabilization of poverty plan. The farmers of this nation are a very resilient group. They have overcome drought, hail and grasshoppers. I am not sure whether they are going to be able to overcome this present Liberal administration.

Mr. H. A. Moore (Wetaskiwin): Mr. Speaker, this bill is designed to appear to do much for the prairie grain producers. What it does initially is impose a 2 per cent levy at the time of sale, in addition to the various other charges already imposed. If, after various complicated calculations, it is determined that 90 per cent of the over-all proceeds from the sale of grain for a particular crop year are down more than 1 per cent from 90 per cent of the average grain sales for the preceding five years, the producer will receive a stabilization payment. Whether a producer receives a stabilization payment will not depend on his need for one in that particular year. In fact, the poorer his crops, the less he will likely receive. The only persons assured of benefits from this scheme are those who produce the calculations and carry out the administration.

I object to one of the conditions imposed by the bill on which transitional payments depend. To be eligible for the transitional payments, acreage payments, or whatever they might be called, the producer must be named in a permit book issued before a specific date. I maintain that as long as a producer is eligible for a permit book, there is no law that states he has to take one out for the 1970-71 crop year. If he wants to sell grain, naturally he must take out a permit book.

If a farmer does not have any grain to sell, I cannot understand why he must take out a permit book. Legally, he could still farm without one. Because of being hailed, dried or frozen out, or any other accident of this nature, he may not feel the need to take out a permit book. Not being a mind reader, he could not guess what the minister or the government will come up with next. We can understand that some method of proving a farmer's planted acres, but what about the prairie farm assistance inspectors? In these types of cases, they inspect the land. They have a record of the crops sown and the number of acres of each. In other words, the farmer is technically in default if he has not taken out a permit book. This is not fair.

A grower who has not taken out a permit book by the required date because something happened to his crop may be in the greatest need of this payment. The minister should announce some alternative method for determining this man's eligibility for an acreage payment or at least allow an appeal. There does not seem to be any such method at the present time. In answer to a question in the House, the minister was adamant in saying that the criterion stated would be the criterion used. I admit that the minister did not have time to consider this question. I realize there are many farmers who would be in this situation and this should be all the more reason for the minister to give this type of consideration. It would certainly not cost the government or the taxpayer much more and it would at least result in impartiality and fairness in a case where a man was hurt through no fault of his own. If this proposal is not accepted it would appear that one more effort is being made to shaft the operator of a small farm.

• (3:40 p.m.)

The clause relating to transitional payments has little relation to the rest of the legislation. There have been other instances of bills covering more than one subject; indeed, this has become a practice. Here, we encounter the same threat; it was expressed by the Prime Minister (Mr. Trudeau) the other day, and, since then, by the minister in charge of the Wheat Board. In brief, we are asked as parliamentarians to pass the whole of this bill quickly; if we refuse, we are accused of withholding much-needed cash from the hands of western grain producers. However, this kind of threat is no longer effective. Producers read the press and follow these debates very closely. They know the score.

My main criticism of the legislation is that it is not designed to aid those who are most in need. It could be that such people would be helped in particular areas, but the opposite might also be the case. The bill deals with gross income, whereas to an individual producer it is net income that matters, that is income after all expenses have been met. A stabilization fund is established by imposing levies on producers. The government will, or may, make contributions at times. One of my hon. friends who spoke before me drew attention to the fact that

prairie farm assistance would be phased out, and that the legislation under which the government paid for storage of farm-stored grain will also be phased out. All this will take a lot of money away from the western farm economy at a time when costs of production are rising year by year, placing producers in a worse position as each season goes by. I should like to end by saying that this legislation will not ensure the producer of an adequate return for his work.

Mr. Lorne Nystrom (Yorkton-Melville): The bill before us today really relates to two separate items. The first has to do with transitional payments to farmers in an amount said to be $100 million. The other part deals with the setting up of a stabilization plan and the fund required for its operation. I wish to join others in the House in calling upon the minister to withdraw this bill and reintroduce it as two separate measures.

The provision for transitional payments is short-term in its nature; the money is required for immediate payment to farmers. The stabilization provision, on the other hand, is a long-term plan, more fundamental in terms of income security for western farmers. We are not alone in asking that the legislation be introduced as two separate bills. I noticed earlier today that the minister in charge of the Wheat Board appeared to be stunned when hon. members questioned him about a statement made on behalf of the Canadian Federation of Agriculture. I want to remind him that the Federation has urged that this measure be treated as two distinct bills. As proof of this assertion, I wish to quote from the first page of a statement on prairie grain income and stabilization needs issued by the Canadian Federation of Agriculture on May 7. The Federation stated:

> The Federation can in no circumstances view these two parts as conditional upon one another in dealing with this bill. They should not be, and need not be, conditional. We cannot accept the assumption, as a ground rule set by the government, that to get the immediate payment the long term policy must be accepted. It would be highly improper for us to temper our criticisms of the long term grains policy in this bill—and we do have criticisms and very serious ones—out of a feeling of fear and urgency respecting a possible delay of these essential "transitional" payments. It is clearly and unmistakably the federal government's responsibility to ensure that the special payment is made and made soon, while also ensuring that adequate opportunity is given for the consideration, modification and improvement of the long term proposals contained in the bill.

I doubt whether there is anyone in the House who would speak against the need for an injection of cash into the western economy, but it amounts to political blackmail when the minister in charge of the Wheat Board includes both the transitional payments provision and a proposal for long-range change into the same bill. In my view, he has done this intentionally; it is the type of thing the government often does.

I notice that in a press release issued on May 7 the minister responsible for the Wheat Board made the following statement with regard to the debate in which we are now engaged:

> It is simply a filibuster, and for no apparent reason. If it continues, it could cost the western farmers $100 million this year.

[Mr. Moore (Wetaskiwin).]

Statements of this kind will not speed up the passage of the bill before us, or help accomplish anything for western Canada. The minister should forget about playing petty, partisan politics. He should agree to separate the different parts of this bill in order that the farmers can get this bit of money immediately. Parliament, in turn, will be able to seriously debate and consider ways of dealing with farm incomes in the future.

I wish to deal with the proposition relating to transitional payments. References have been made to a sum of $100 million in transitional payments to farmers in Canada. This, in itself, is misleading. Under the legislation before us, the Temporary Wheat Reserves Act is to be terminated and I am told this will mean a saving of approximately $50 million next year. The government will have got rid of that responsibility. PFAA will also be terminated. Under that plan, the producer was contributing 1 per cent of his annual earnings, and I understand that last year the government participated in the fund to the extent of between $5 million and $6 million. So, altogether, the government is saving around $55 million. On this basis, the increase in expenditure is probably closer to $45 million than it is to $100 million. The minister in charge of the Wheat Board should be honest with the Canadian farmers and the Canadian people at large and not talk of a payment of $100 million when it is by no means as much.

• (3:50 p.m.)

I also think that the transitional payment is much too small. As I have said, we are talking of an expenditure of about $45 million odd. I think a much larger injection of cash than this is needed. For some time the farm organizations have been calling for an injection of $250 million into the western economy, and their argument is valid today. The western farmers are still suffering severely from lack of income, just as they were last year.

For reference purposes I want to quote a few figures issued by Dominion Bureau of Statistics a short time ago relating to the net income of farmers, from which the House can readily see the seriousness of the situation in western Canada. We find that since the present government took office in 1968, net farm income in Canada has fallen in two years by $516 million. In Saskatchewan, the province from which both I and the minister come, net farm income over the same period has dropped by 56 per cent, a drop that is almost unbelievable and which illustrates why I and others from Saskatchewan are so concerned about this bill and other pieces of agricultural legislation.

According to these figures, the net income of farmers in Saskatchewan in 1968 was $462,348,000 while two years later, in 1970, it had fallen to $202,718,000, a drop of roughly 56 per cent, I think all members will realize that this suggests there is something fundamentally wrong with the western Canada economy, something that a small injection of cash, whether $50 million or $100 million, is not going to solve. In view of this I think members of this House should consider making some fundamental changes to the benefit of agriculture.

When an industry suffers a drop in income of 56 per cent over two years, it must give concern to all members of the House. If this can happen to one industry, it is bound to affect others in Canada. We have already witnessed lay-offs in farm machinery plants in eastern Canada as a result of the farmers not buying as much machinery as they used to buy. This, in turn, aggravates the unemployment problem at the present time.

Not only the members of the agriculture committee but the people of Canada should also have cause for concern in regard to the stabilization plan outlined in this bill. Under this plan, the farmers of this country will have to pay 2 per cent of their total or gross income and the government will contribute 4 per cent. The other day the Minister, in explaining why gross income instead of net income had been selected, said that his economists did not know how calculations could be made on net income.

I should like to inform the minister that net income could have been used had the government wanted to do so. Perhaps this is why the former Minister of Communications, the hon. member for Duvernay (Mr. Kierans), said that all the government's advisers are second rate. If they cannot calculate income in terms of net income rather than gross income, then they must be second rate. We have too many second rate advisers in the Department of Agriculture and on the minister's staff. It is not we of the opposition who suffer but the farmers, who find themselves over a barrel because of lack of concern and inefficiency.

Under this stabilization plan the farmers will have to contribute 2 per cent of their income up to a maximum of $15,000. Although the bill makes reference to the agricultural industry as a whole, it has no regional or provincial flexibility. In addition, the legislation repeals the Temporary Wheat Reserves Act, and PFAA is phased out. As I have already said, the bill has many long term implications. Personally, I think it is the first step toward implementing the report of the task force on agriculture which was released by the government several months ago. Passage of this bill will mean less government involvement in agriculture instead of more. The federal commitment, once this bill is passed, will be less than before when the old acts were in effect.

Mr. Lang: That is not true.

Mr. Nystrom: The minister says that is not true, but many farm organizations, such as the Farmers Union and others, say that it is true. Perhaps when the minister speaks he will want to comment on these matters which seem to be controversial and which are interpreted in different ways by members of the House. Many people think that this is true and, unfortunately, so do many of the farmers.

Another matter for concern under the stabilization section of the bill is that, to use the words of some farmers, it would stabilize poverty or low incomes in the farming communities of Canada.

Mr. Lang: That is not true, either.

Mr. Nystrom: The minister says that is not true, either. Perhaps the minister would visit the farmers in my riding and tell them that this is not true, because certainly that is not their impression. In addition, the minister has been unable to offer any explanation to them. Perhaps this is where many members of this side of the House differ with the minister. Many of us are fed up with the piecemeal approach that he has taken during the last three years, the lackadaisical and aloof approach he has taken to agriculture. The way of life in western Canada is being eroded, not gradually but rapidly. As I said, farm incomes have dropped by 56 per cent. The cost of farm machinery and the cost of producing a bushel of wheat has risen each and every year. The Barber commission has stated that the farmers have been victimized for years by the high price of farm machinery.

I should like to know why the government does not take some action in this regard. They have many economic tools in their hands to bring down the cost of farm machinery. I suggest to you, Mr. Speaker, that perhaps they are more interested in protecting the farm machinery companies than the farmers and ordinary people of Canada. This is why the government has not taken action, and is probably why it will not do very much about implementing some of the recommendations made by the Barber commission.

Many people have left the province of Saskatchewan, having been forced out by low farm incomes and the lack of real stability in the province as a whole. Businesses have gone bankrupt, people have become unemployed. We have seen the erosion of small communities as a result not only of agricultural policy but other government plans as well. The closing of rural post offices, the removal of station agents and other changes of this sort have all contributed to threatening the rural way of life in western Canada. I think this is a way of life that is worth preserving, but only the government can act to preserve, to stimulate and to assist it.

The answer of the government has been to establish the task force, a task force on which the farmers themselves were not really represented and other people talked about the way of life of our farmers. What has this task force recommended? It has recommended a number of measures that the minister is now trying to implement. One of the recommendations is that two thirds of the farmers must leave their farms in the name of efficiency; another that there must be less government involvement in agriculture instead of more. Other countries in the world have governments that are becoming more and more involved in helping farmers by allowing them to plan and to organize for themselves.

• (4:00 p.m.)

If you analyse this whole situation, what is the logical conclusion? What is going to happen? We are going to see more and more farmers leave the land each and every year, perhaps at an accelerated rate, as is happening today in the west. We will see more and more of our towns, villages and small cities dwindle and disappear. These places are directly tied to the farming community. If this trend continues, we will have in western Canada,

and Saskatchewan particularly, a few corporate farm units run in the same way as any other huge business, with an eye to the profit margin and efficiency. There is no concern about the human element or what will happen to the operators of small farms as well as other people who live in rural areas. What does this government have in mind for them? It seems it has nothing in mind at all except the welfare rolls and the unemployment cheques being delivered in large Canadian cities today.

These are a few of the long-range ramifications of these agricultural programs unless we have action right now in respect of rural Canada and the whole agricultural picture as it is in the west. I think the rural way of life is worth preserving. I think there is a certain quality to it. Instead of pushing people into larger cities we should be talking about repopulating, stimulating the agricultural economy and making the rural life viable. I understand the average age of farmers in western Canada is 57 years. This in itself once again underlines the fact that this industry is dying rapidly. This is another point which proves that we are not really just talking to ourselves when we say this is an industry in a tremendous amount of trouble.

I want to suggest to the government, and to all members in this House, that we should make agricultural problems a top priority. We should draft a bill to put $250 million immediately into the hands of farmers. Let us give them $250 million as some farm organizations are requesting. This is what the people who know about farming recommend. This is not what is being said by government bureaucrats or directors of corporations, but the farmers themselves. This is what is needed.

I think in the long range we must make some very important decisions, and I should like to suggest three that come to mind at this time. First, the government must make the fundamental decision that rural life is worth while. I believe it should not only be preserved but helped and stimulated in every way possible. I think urbanization is taking place much too rapidly in Canada, and in an impersonal way. The basic and fundamental decision which must be made is that rural life in this country must be helped. Farmers must be helped, and if we are going to do anything at all we must first make this fundamental decision. Secondly, if rural life is to be worth while, the farmers must make some of the decisions that effect him and his life. There is no reason that the farmer should not participate in these decisions. Farmers should be involved in agricultural decision-making process. Why are they not consulted in a really meaningful way? Why can farmers not have some say in respect of the prices they receive for their commodities? Why can the farmers not have a say as to what they should pay for tractors and other implements necessary to the production of grain? Many other sectors of our society have this power.

Perhaps to the minister of the government, this sounds like a revolutionary or new idea. I do not think the minister is ready to let the farmer have this type of authority over his own destiny. We could get involved in a discussion about Bill C-176, but I will leave that for later. Under that bill, why not give the producer control over what is going to happen in his own area of concern and endeavour? These are things we must do in the future if we want to do something really significant to help the western farmer and rural life.

Finally, if we really want to do something about helping the farmer and western rural communities, the government and the people in this country must decide they are going to support agriculture in a really meaningful way. The government must finally, some time, do something to support agricultural prices. The price of a bushel of grain is probably lower now, or no higher than it was at the end of the Second World War. This should not be the case. This is about the only country in the industrialized world which does not support our wheat prices in some way when it comes to trading on the international market.

Once again I should like to refer to a statement by the Federation of Agriculture about the price of grain. There is a reference to the two-price system, with which this government has flirted for several years but has never done anything in a serious way to implement. The statement by the Canadian Federation of Agriculture reads in part:

> Finally, an adequate two-price system must be made a part of the total policy package with respect to income protection for western grain growers. It is just not right that we should be the only, or virtually only, wheat producing nation that accepts world price levels as an adequate guide to prices that should fairly be paid in the marketplace by domestic consumers. It is a shocking fact that in the entire post-war period since the second world war there has been essentially no increase in grain prices and therefore no increase whatever in the amount the farmers receive from flour and cereal products sold to the consumer. This must be corrected by substantial increases in the price received by the farmer for grain used for domestic human consumption. The impact on the consumer would in any case be very small. The great bulk of the cost of cereal products to the consumer is transportation, processing and distribution.

I suggest that the time has come when the government should take organizations such as the Federation of Agriculture, the farmers' union, the wheat pool and others very seriously when they talk about policies with regard to farm income. It is about time the farmers themselves had a real and meaningful voice in determining the policy under which they will live. It is about time this government placed a high enough priority on agriculture that we put our money where our mouths are and supported the price of agricultural commodities. We can do many things to increase the incomes of farmers. We can do many other things, for instance, along the line suggested by the Barber commission concerning farm machinery. There is no reason farm machines should cost so much or that profits should be so excessive. We could do something immediately to bring down the price of farm machinery, and this will have to be done if we want to improve the farm income factor.

There are many other things I could add, some of which have already been mentioned by people such as the hon. member for Saskatoon-Biggar (Mr. Gleave) and the hon. member for Battleford-Kindersley (Mr. Thom-

son), in respect of improving farm income. If we did these things we might find that farm communities would be more viable and much better places in which to live. This would improve the quality of life as well. Farming would then be something young people might become involved in, since they are not becoming involved in it today. The young people cannot afford to get involved in agriculture. This would be a positive result, and might be accomplished by a strong agricultural policy here in Ottawa. If we had a strong agricultural industry, all people in Canada would enjoy a higher level of income. Agriculture is still one of the primary industries in Canada. It is still the backbone of our economy. When the agricultural industry is adversely affected, other industries are negatively affected as well.

The only people who would really suffer as a result of implementing the suggestions I have made would be the huge corporations. These are the people who are really benefiting from the efforts of farmers. They are raping the farmers of western Canada. These are the people who are calling the tune. I refer to the farm machine companies and their friends, the minister in charge of the Wheat Board and his friends. It is about time we turned the tables and allowed the potential wealth of this industry to be reaped by the farmers. Decision-making should be left to the farmers. Neither of these two things is being done today, and that is precisely why we are running into so much difficulty in respect of western agriculture.

• (4:10 p.m.)

So, to summarize, I should like once again to suggest that we break this bill into two parts, and that we increase the amount of the transitional payment from what it is now, probably $45 million, to something like $250 million, as has been recommended by farm organizations. We can see this amount is needed when we look at the DBS figures which show that farm net income in Saskatchewan has dropped 56 per cent in two years. I do not know how the minister in charge of the Wheat Board can sit in this House with a smile on his face when he knows that people in his own riding, which is near mine, have had a drop in income during the past few years since he assumed responsibility for them. It must take smug arrogance to sit here and defend those policies when we have all the wealth, resources, as well as the technology, in Canada to do something about the situation.

Now, I notice we are getting comments from the puppets in the Liberal backbenches. This is the only time they speak out. I should like to see them do or say something constructive for a change. They should come to my constituency or the constituencies of Regina Lake Centre and Saskatoon-Biggar and make some of these remarks to the people there who are facing the brunt of the agricultural policies. It is all right to jostle back and forth in the House of Commons, but we are pretty secure here. It is the people in the country today who are taking the brunt of the stupid, inhuman and immoral policies. This is what we must fight and change. Let us stop talking about the small, irrelevant points and get down to the real business of giving the farmers a better living and allowing them to participate in making decisions instead of having them made by the bureaucrats or corporations. These are the issues and this is the time for action.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, in rising to speak on Bill C-244, I should like to pay strict attention to the minister's remarks as recorded at page 5603 of *Hansard* when he attempted to urge the members of the House of Commons to pass the legislation as quickly as possible and not project the belief that the government is trying to do away with small farms. A complete paragraph of his remarks on that particular page, in the right hand column, dealt with that subject. He said that members in the opposition are doing a disservice to the agricultural industry by attempting to project what is actually in the mind of the government. However, it would seem to be the intention of the government to remove the operator of the small farm from the land. The minister states that this is the furthest thing from his mind. Actually, this piece of legislation, along with other pieces of legislation, was spelled out very clearly by the Prime Minister (Mr. Trudeau) on June 2, 1968.

While I do not have a copy of the Prime Minister's remarks at that time, I do have a copy of an editorial in the Winnipeg *Free Press* of June 4, 1968 commenting on the Liberal farm policies. This article, in essence, paraphrases what the Prime Minister said on June 2 in outlining the farm policy. The article reads:

> One of the most pressing long range problems for western farmers is the need for an adequate yearly income to get away from the boom-and-bust cycle that has become part of prairie farm life. To this end, the Liberals are proposing a plan which, in effect, sounds like the equivalent of unemployment insurance for farmers. In good years they would pay into a fund; in bad years they would draw money from the fund, thereby, to a degree, stabilizing their income.

I read this merely for the purpose of pointing out that this plan was already on the books before the present minister in charge of the Canadian Wheat Board was appointed to that office. When we analyse this plan carefully, we might ask where it came from. Well, we can see it must have come from former Liberal party conventions and former meetings of the Liberal greats. I suggest it came from top bureaucrats, some of whom are in the Prime Minister's office today. These are people who know nothing about agriculture and whose main theme is to get the small scale farmer off the farm in the hope that the remaining farmers, will be able to sustain themselves in an economy which is inflating so much each year. One might say I am being overly critical of the Prime Minister and his concept of agriculture, but I do not believe one would think so after reading the speech in which he dealt with the program for small farms, and also the Liberal convention policy statement.

I have correspondence here in respect of a Liberal executive meeting of April 3 and 4 which deals with the redrafting of their policy document. It contains this reference to the Canadian Wheat Board:

> Protein grading for wheat is a must.

We have that. Then, there is this statement:

> The federal government should pay for all saleable grains in order to have a storage reserve and to reduce costs to the farmer.

That must mean that the federal government should pay all the storage costs on saleable grain. Then, the statement continues:

> Capital gains, estate taxes and succession duties should not be permitted to break up viable family farms, nor should capital gains deprive a farmer of his retirement income.

Those statements are very important when one considers the over-all aspects of the grain stabilization program and the eradication of the farmers. As I was saying, the name of the game in this whole series of farm legislation is the removal of the small scale farmer. If we look back at the Winnipeg speech of June 7 we will see that the Prime Minister had a specific policy for the operators of small farms. He said this:

> While the situation varies from commodity to commodity, in general 30 per cent of Canada's farmers produce 70 per cent of our agricultural production. This great variation in farm size and with it productivity renders the development of agricultural programs appropriate to varying farm sizes most difficult. The problem could be met through the institution of a system of farm differentiation by productivity and size. This differentiation could provide a basis for modifying programs to meet the particular needs of farms of different sizes.

He continues:

> In return for the differentiation level of assistance the smaller farmer could undertake that at the time the farm passed from his possession he would not dispose of it for other than farm consolidation or for movement into the public sector. Thus the special programs designed for farmers in this category would not perpetuate the problem.

When we look at that statement, we realize that no owner of a small farm can pass on his farm to his son. He must pass it on to a neighbour or to the government. These are the conclusions one must arrive at from reading this speech. Certainly, that statement differs markedly from the original Liberal policy which was suggested that the capital gains tax, estate tax and succession duties should not be permitted to break up the viable family farm. The policy proposed in this bill is directly contrary to the views expressed at the last Liberal convention.

Let us look at the grain stabilization program. When was it first proposed? It was proposed on October 29, 1970 in this House. When it was first proposed, the minister complained about opposition members of all parties holding up farm legislation. If this program is so necessary and so acceptable to the farm population, where has the minister kept it from October 29? The next we saw of it was the first reading of the bill on April 29, 1971, six months later. Mr. Speaker, amendments are proposed to many pieces of legislation asking that they be not now read a second time but read a second time six months hence. Nobody suggested that that be done with this bill, but the minister, in effect, has done so himself.

• (4:20 p.m.)

Since then, the minister has followed certain procedures. He has bombarded the Prairie farmers with at least four or five pamphlets advertising this program, seeking feedback, and wanting to know how to change and modify it. Then, on March 15 he did modify it to some extent. On that date he said the federal government would make a contribution which would be twice the size of the contribution made by the farmer. He did not say that on October 29. But then he began to get the feedback, and so he made the change. Then, the minister had to tag on another $100 million as a temporary measure. He admits that this is an one-shot program, but I think he will agree that, in contrast, the stabilization program is a long-term measure. What have the two in common? This makes one wonder. Why tie them together in one bill? All along the minister has been attempting to devise some way to smooth the passage of this bill through the House and through the committee.

The minister has been attempting to persuade the farmers that he is right. He did not bring the bill before the elected representatives of the farmers because he was aware that they were knowledgeable of the legislative processes. They know what the provisions of the Temporary Wheat Reserves Act mean to the farmer. The minister deliberately refused to allow these representatives to debate the bill until he had received enough feedback and had changed it to the point where he thought he could pilot it through the House. It took the minister six months to get the feedback, six months to try to convince the farmers that they should accept this program. Now, to the surprise of many, the Canadian Federation of Agriculture—and in this case I think the primary influence would have been the Saskatchewan Wheat Pool—says the grain stabilization program is no good, that it won't benefit the farmers at all, and that in fact it will put them in a straitjacket.

This bill, coupled with a lot of other government legislation, is an attempt to remove the government's commitment to the agricultural industry. The government does not want to give any subsidies to that industry. The government feels it can best arrive at this solution by taking control from the farmers. When that stage is reached the government will tell the farmers, "We will manage your business. You plant what we tell you to plant, and take off what we tell you to take off. Then, we won't have to give you any subsidy." The aim is nothing less than state control of the agricultural industry. I suppose this all stems from the Prime Minister's famous query to the wheat farmers of western Canada, at a time when he did not know any better. He asked them, "Why should I sell your wheat?" When he found out that he had this responsibility, then he said to himself, "I had better control the industry so that the farmers won't produce a surplus, because I have other things to do; I have a whole world to see, and to see seven times over. I cannot be concerned with these mundane problems of the farmers. They are becoming less and less a political influence as time goes on, and the more of them we can get off the land the less a political influence they will be."

How does this attitude compare with what other governments are doing for their agricultural industries? Last fall, speaking to the Agricultural Congress, the Minister

of Agriculture put some interesting figures on the record. Here I quote from the *Western Producer* of December 3, 1970:

> Mr. Olson said the federal government spends about 3.3 per cent of the total federal budget on agriculture—the Canada Department of Agriculture spending $281 million and other departments and agencies spending an additional $142 million ...
>
> Admitting the difficulties of making exact comparisons, he said Canada spent about $350 per person employed in agriculture in 1968, and this compares with $675 in West Germany, $980 in France, $1,059 in Britain, $1,287 in the United States and $1,502 in Switzerland.

We are by far the lowest with respect to government expenditures per person engaged in the agricultural industry. One can wonder, why spend money on agriculture? Why can't the agricultural industry stand on its own feet? Why is the opposition against this measure to reduce the federal government's responsibility for the spending of money on agriculture? In some respects we must accept the consequences of inflation, like it or not. Germany is just finding this out now as a result of the effect of inflation on the United States dollar. Germany has had to free its Mark because its rate of inflation was less than that of the United States.

We had the same trouble in this country within the last couple of years. Even with our tighter money supply, we had inflation. The primary producer does not benefit one bit from inflation. Therefore, it is the duty of the federal government to make some concessions with regard to the primary producer. The federal and provincial governments have done this from time to time, but in its over-anxious rush to clean up the agricultural industry the present federal government is introducing a series of legislative items which will do nothing but hasten the withdrawal of the small scale farmer from the land. He will be driven into the cities where he will not be happy and where he will have difficulty adjusting. This is a wrong and backward step for the Canadian government to be taking at this time.

What does this bill propose to do, Mr. Speaker? First, it proposes to do away with the Temporary Wheat Reserves Act, which provides that the government will pay for all the costs of wheat placed in commercial storage over a total of 178 million bushels. The minister has suggested that this act has contributed to farmers growing more wheat than they should. He has said it is a contributing factor to the surplus in wheat. If that is so, why not change the provisions of the act so the federal government will pay all the commercial storage costs on the first 200 million bushels and the farmers will have to pay all the costs of storage on any amount above that figure? In that way there would be no incentive for the farmers to over-produce. Just reverse the present program, Mr. Speaker. Hon. members on the government side of the House are forever asking members on this side what we would do. That is one thing I would do immediately. Just reverse the provisions of the present act.

• (4:30 p.m.)

Second, the bill proposes that the losses on pool accounts for wheat, barley and oats would be recoverable from future surpluses in the stabilization fund. That is not a sound business practice and the minister should know better after all the difficulty he got into with the cash advance legislation. We warned him about that, and I am warning him now that this is not a sound business practice.

Let us suppose the government feels that corn blight is likely to reduce production in the United States with resulting high world prices. We, therefore, set a high initial price for barley but the United States solves the blight problem and there is a resultant surplus of feed grain in the world. Naturally, the price of barley will go down. Then, let us suppose that next year there is a loss from the sale of barley and that is carried over to the following year. After that experience who is going to grow barley? Supposing there is an average loss of ten cents per bushel on the pool, then who is going to grow barley and have that deducted from his production? The minister may say that we will pool all accounts, that the wheat, oats and barley accounts will be in the one pool so we won't know whether a loss is charged against barley, wheat or oats. This only suggests that the government is acknowledging my point, and is attempting to deviate from sound business principles.

If the government is going to set an initial price for feed grains and wheat, then it should take the responsibility for setting it high or low. The government knows the market and has the ability to seek out new customers by giving credit and making long term arrangements for repayment. No farm organization in western Canada has agreed with the principle that the losses on pool accounts should come out of the stabilization fund. It just is not sound business.

The other day the minister made a big thing out of being able to project the initial price for grain. It used to be that the initial price would be set after seeding, and sometimes before seeding, but the minister said he will set it on March 1 or March 15. Unless he accepts the responsibility for how high or low it is set, he is not being brave but only political. Is there anything else he could use to make more political hay? In his speech he also suggested that the government will spend $10 million for market research, for the development of new markets. What is that going to do? On October 29, when the minister issued the initial proposals he suggested:

> That the government make available up to $10 million annually in support of market development programs.
>
> It is proposed that a part of the market development program be the establishment of a product research and development program which would aggressively pursue development of and processes by which Canadian content in both domestic and export foods and feed can be increased. It is proposed that this program not be limited to grains and oilseeds but that a special emphasis be given to this area initially.

One can say that the $10 million for research will soon be absorbed in a research establishment, but not necessarily searching out new markets. I think this is a wrong step. We know that universities all across Canada have received grants for the development of new products and the development of new marketing techniques for existing products. What does the minister mean when he says

that, initially only, special emphasis will be given to grain and oil seeds. This program may not be continued.

Here is another of the proposals made on October 29:

That the Canadian government continue its policy of supporting credit sales of wheat, but that the costs, if any, of providing the buyer with medium term credit at interest rates below commercial rates be assumed as a cost by the pool.

This is another cost to the farmer, and another example of allowing the salesman to make the sale, then have the farmer pick up the tab. For far too long, the farmer has been picking up the tab. A former minister in charge of the Canadian Wheat Board said a few years ago that he did not have a thing to do with the Wheat Board, that the Wheat Board sold the grain. This minister is putting himself in a position where the Wheat Board will not be able to make a move without asking him how they are to sell grain and what interest rates they are to set. In the end, it will be the farmer who will pick up the tab.

Surely, the Canadian government should be creating a situation in which more flexibility could be given to the Wheat Board so that it could serve the farmer better, rather than the government. This series of bills is geared to creating a situation where the Wheat Board serves the government and the government is responsible to the farmer. Should we not put more emphasis on bringing in legislation that would make the Wheat Board directly responsible to the farmer? There would be less chance of sympathetic and slick politicians hoodwinking the voters at election time.

At the Liberal party policy meeting in March of this year the question of the Canadian Wheat Board was discussed. There was agreement that the Canadian Wheat Board should be retained but made more flexible. That is the point I am attempting to make now, but how is it being made more flexible? Today, a farmer has to be a Philadelphia lawyer to figure out what the quota should be, what he should sell and what he should grow. The old system moved grain because of the assistance of Operation Lift, but I do not want to get into that because everybody across Canada knows that Operation Lift was an utter failure. As someone said in the House the other day, a farmer told him that if he had one more Lift he would be out of business. That explains Operation Lift very well. What does the program do? This whole series of bills creates a situation in which the farmer is placed in a straitjacket.

• (4:40 p.m.)

He must be a producer of barley, wheat or oats with little opportunity of becoming the producer of any other commodity. Some may say that this is all to the good, because then the goverment will know exactly what is happening in the field. Well, the government attempted to tell the farmer what he should do last spring when it introduced Operation Lift. Then, this fall, we found ourselves short of barley and were prepared to sell barley at between 10 cents and 15 cents a bushel less than we ought to have sold it. Why, Mr. Speaker? Apparently the all-knowing eye, and I mean the Minister without Portfolio in charge of the Wheat Board (Mr. Lang)

did not know the answers. He was not superior to anybody else in knowledge and did not know about the corn-blight in the United States. Last spring he advised our farmers not to grow barley, and this spring he advised them to grow barley. Mr. Speaker, I should like to hear the minister taking objection to some of the statements I am making. I suggest that he advised farmers not to grow barley. I submit that before May 1 they were advised not to grow barley, and perhaps in June they will be advised that they can grow barley.

Mr. Lang: The hon. member does not know what he is talking about.

Mr. Horner: The minister suggests that I do not know what I am talking about. I think I know a great deal more about agriculture than the minister knows, and I care a great deal more about agriculture than the minister does. To give you some idea of how much he cares, may I read a report from the *Free Press Weekly* dated May 1, 1971. It reads, in part:

Canadian Wheat Board Minister Otto Lang put his head on the chopping bock of prairie farm opinion last week by introducing a Commons amendment that could give the board marketing control of flax, rye and rapeseed.

That gives you some idea of what the minister knows. He does exactly as he is told to do and is following policies laid out in the Winnipeg speech. If he does not do as he is told he will have to go the way the hon. member for Duvernay (Mr. Kierans) and the hon. member for Trinity (Mr. Hellyer) went. Since his old job at the University of Saskatchewan may not be open, he would rather stay here.

Some hon. Members: Oh, oh.

Mr. Horner: Let me make one point which may or may not have been made with regard to the stabilization program. The PFAA program helped farmers, although not as much as had been hoped. In situations where drought or other hazards had brought farmers economic losses, the program worked almost on an individual basis. It was not quite as efficient on an individual basis as crop insurance, but it was almost as efficient. Under the program being discussed, we are considering the five-year average of income obtained from six major crops. If a farmer's income is 90 per cent or more of that average, no payment is made. On the other hand, if there is a drought in the Peace River area, or in southern Manitoba or along the Red River Valley and farmers lose their crops there, or if there is a drought or a crop failure in southern Saskatchewan, and these conditions do not prevail throughout the rest of the country which may enjoy a good crop, there will be no compensation at all under the stabilization program.

Mr. Lang: Has the hon. member not heard of crop insurance?

Mr. Horner: The minister asks if I have heard of crop insurance? Why, I helped to have that legislation passed

in this House. I know how it applies to some areas. It applies to some areas of Canada, but not all areas of western Canada.

Mr. Lang: It will.

Mr. Horner: It will, as the minister says. First, a new program ought to be implemented before we do away with the one we have.

Mr. Lang: We have two years.

Mr. Horner: I see the minister nodding his head affirmatively in response to that remark. I do not see any crop insurance legislation on the books.

Mr. Lang: It is there.

Mr. Horner: I am talking about legislation on the books that could be applied this year, or next year or the year after. The minister suggested that we had to wait for two years in order to fully implement this crop insurance scheme. I do not know if an election will intervene in the interim. I think he meant that that legislation will not take effect for two years. I submit that the legislation we are considering will not take effect for two years. First, the farmer must average his receipts from six major grains over five years, to determine how much he is to get. Then, he must average these amounts out over the last three years. In other words, he must wait for three years before this legislation becomes effective, yet the government will have done away with the Temporary Wheat Reserves Act by July, 1971. If that act had been allowed to stay in force, farmers receiving payments under it would have received more than the $100 million this program will make available because every year farmers receive on the average $46 million under the Temporary Wheat Reserves Act program. The minister is not denying these statements. He knows that what I say is correct. The federal government's contribution to farmers under the Temporary Wheat Reserves Act would be greater than it will be under this program.

Mr. Lang: Mr. Speaker, I rise on a question of privilege. It should be recorded that the hon. member is mistaking my views when he says that I agree with him merely because I do not argue with him. I should like it to be recorded that it is much simpler, as it was the other day, to let him know when he says something that is accurate. That way I shall not rise very often.

Some hon. Members: Hear, hear.

Mr. Horner: One should not really criticize the minister. One can really only feel sorry for him. As a boy, he grew up on the farm.

Mr. Lang: That is not true, either.

Mr. Knowles (Winnipeg North Centre): Haven't you grown up yet, Otto?

Mr. Horner: His father owned a farm. The minister could not bear it and swore that he would have nothing to do with agriculture. When he came down here the Prime Minister did not feel that the present Minister of Agriculture (Mr. Olson) was capable of handling the Wheat Board. It was decided to divide the responsibility for agriculture. The Prime Minister needed someone from Saskatchewan in his cabinet, and so the load fell on the Minister without Portfolio in charge of the Wheat Board. I feel sorry for him because he has no love for the farm and no love for the agricultural industry. He is only carrying out the wishes of the master in trying to eradicate the small scale farmer. In any event, this program does not take into consideration the plight of the individual farmer; nor does it consider the plight of a region. It applies nationally. There must be a national catastrophe before money is paid out.

The other glaring error in the program is that it ignores the effect of inflation. We know that the farmer's costs of production are going up each year. Some hon. members may say that, to meet this, the farmer ought to become more efficient. Mr. Speaker, in the last ten or 20 years, Canada's agricultural industry has been one of the most efficient of our industries. In terms of goods produced per man hour of work, it has been more efficient than most industries in Canada. This program will fail because it does not take into account inflation and because it does not take into account farmers on a regional or individual basis. We need more flexibility and not more rigidity in our system. Our salesmen ought to be more aggressive in selling wheat, oats, barley, rye, rapeseed, flax and other produce. This legislation will create a cushion for agricultural salesmen. They will sit back and not be induced to sell. The legislation is intolerable in the eyes of many farm organizations and farmers who have followed the discussion in the House and in Committee.

I might say that even on October 29, when the minister proposed this program, he had no idea of offering farmers $100 million. He did not even suggest that until March 15. It is interesting to note why the minister made this suggestion on March 15. At that time he realized this bill would not be accepted across the country nor would he get it through the House or the Standing Committee on Agriculture because many of the members who represent farm areas are willing to pass only legislation that will benefit the farmers. The minister knows he has to offer as a bribe this piece of the legislation. He has to use a bribe of $100 million. The last speaker pointed out that, in essence, there is only $45 million being offered because the minister is taking away the funds contributed by the federal government under the Temporary Wheat Reserves Act and the Prairie Farm Assistance Acts.

• (4:50 p.m.)

Mr. John L. Skoberg (Moose Jaw): In speaking to Bill C-244, Mr. Speaker, I want to try to determine whether the government is concerned about the agricultural economy. I was surprised to see the Minister of Manpower and Immigration (Mr. Lang), who is responsible for the Canadian Wheat Board, become touchy when the

hon. member for Crowfoot (Mr. Horner) was speaking a short while ago. It seems that he is somewhat ashamed of the legislation he has to bring before the House. He is ashamed of the legislation because he is unable to answer the questions which the agricultural producers across this nation are now asking.

After looking at the minister's press release of May 7, it would appear that if anyone is playing politics it is the minister. I suggest it is cheap politics that the minister is playing. When one becomes as touchy as the minister, there is a basis for this type of reference. In his May 7 press release, he refers to a so-called filibuster in the House which is working against the interests of all the Western farmers. Those involved in agricultural production are concerned that there may be some cheap politics used in this House to ram through legislation that in the long run is not in the best interests of the agricultural industry.

It amazes me that we are unable to divide the two factors in this bill, one of which is the $100 million figure which the government throws around as the amount that will be passed to the farmer. In his press release, the minister stated:

> As long as these members continue to be more interested in making political hay in the House of Commons than in helping the prairie farmers reap the benefits of new legislation, the House cannot turn its attention to the huge backlog of other legislation which must be dealt with.

I suggest that it is only the members of the opposition who are interested in the agricultural economy. The Prime Minister (Mr. Trudeau), who has today assumed the new name "Jack in the box", is not concerned about what really happens to the agricultural producers in western Canada. It appears that after being given two portfolios, manpower and immigration as well as responsibility for the Canadian Wheat Board, the minister is not interested in trying to serve one or the other or he would say that he cannot handle both of these portfolios. Both are areas of great concern to the people of this country. If he was consistent and responsible, the minister would indicate to the Prime Minister that he cannot handle these two portfolios. Since he has to handle both portfolios, no doubt it is the bureaucrats in the department who are really calling the shots.

I like to think that the minister is concerned about the agricultural economy. When I read the minister's recent news release, I wondered whether the minister was saying it was just too bad, he had to ram through this legislation which does not mean anything to anyone, particularly the agricultural producers, because they do not understand it. As I said the other day, the minister was not on very good terms with the premier of Saskatchewan. He must have returned to the good graces of that premier a short while ago. In the address he made at Morse, the premier of Saskatchewan said he did not want to tip his hand on when an election would be held but he added, and I quote:

> It would be very nice to have those cheques in the hands of farmers before an election.

[Mr. Skoberg.]

I suggest that the premier of Saskatchewan and the minister are in cahoots in order to try to ram through a provision, the application of which the average producer is not aware. I am sure all members appreciate the fact that we must plan if we expect this nation to grow. At the same time, there is more to planning than philosophizing about what should be done for the agricultural industry. Not too long ago the Prime Minister was interviewed about what he considered to be the real problems of agriculture. At that time he said, and I quote:

> Perhaps, to be quite candid with you, when you talk of growing disenchantment I must begin by saying that some of my reading of the west is that it is always disenchanted.

This is a typical example of the interest of the Prime Minister and his cabinet in the agricultural economy of the west. They give zero consideration to that particular area of our country. It is time we realized that this government does not care one iota about what happens to the agricultural economy. Later in the interview the Prime Minister said:

> If this is the case, it is not so much a question of meeting the disenchantment by specific things, but by convincing the west that the way to beat this alienation is to get in there and fight.

The Prime Minister is suggesting that the farmers get in there and fight for what is rightfully theirs. The minister, members of the cabinet and members opposite are saying that we are trying to filibuster a bill which is not in the interests of the agriculture industry at this time. In the same interview, the Prime Minister said:

> This is exactly what we did in Quebec. I am speaking now as a Quebecker and a French-Canadian. There was a great disenchantment with Ottawa in Quebec. It was leading to the breakup of the country.

I believe this interview took place before the so-called apprehended insurrection in Quebec. At that time the Prime Minister thought he had Quebec in the palm of his hand and could do exactly what he wanted. If the Prime Minister now believes he has any part of Canada in the palm of his hand, he better take another look because that is definitely not the situation.

May I call it five o'clock, Mr. Speaker.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): It is my duty, pursuant to Standing Order 40, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Portneuf (Mr. Godin)—Industry—Aid programs for footwear industry.

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

[*English*]

PRIVATE MEMBERS' MOTIONS

RESEARCH

STUDY BY STANDING COMMITTEE OF CARE, UTILIZATION AND TREATMENT OF ANIMALS

The House resumed, from Monday, October 26, 1970, consideration of the motion of Mr. Winch:

That, in the opinion of this House, the following matters should be referred to a standing committee designated by the Prime Minister, with authority to call for persons and papers and report its deliberations with recommendations (a) the use of animals for medical research purposes, their care and utilization, and procedures for government licensing and inspection of, and control over, all premises using animals for laboratory research or medical training (b) as far as federal jurisdiction permits, recommendations regarding legislation providing penalties for those abusing animals, and any persons making a business of raising or catching animals for sale to research individuals or centres and not keeping same in a humane manner (c) the most humane method of trapping fur-bearing animals (d) consideration of the entire Canadian picture relative to the maintenance of fish, bird and animal wildlife and the regulation required for conservation (e) consideration of federal and provincial jurisdiction on the aforementioned items, and proposals for an effective manner of attaining federal-provincial agreement and legislative action.

• (5:00 p.m.)

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I followed with more than usual interest the earlier debate on this motion, motivated in part by concern for the welfare of animals, particularly those used in medical research and, in addition, as one who has lived not only in northern Ontario. When one live's only a few minutes drive or walk from the virgin forests you probably come to appreciate the value, beauty and necessity of maintaining animal life in Canada. And as a resident of the City of Toronto, where drives and long trips have to be undertaken in order to recognize the beauty of Canada's northland, I probably take more interest in this subject than the average human being who has not had the opportunity to live in northern Ontario or for that matter in the Northwest Territories. In addition, it was brought home to me forcibly, as often happens to a father of children, by seeing programs on television or reading articles put out by wild life organizations and seeing the kind of abuse that cruel men sometimes commit when dealing with the animal world. A son or daughter who sees this kind of cruelty taking place recognizes that you are a legislator and asks what the government is doing in this field or, more particularly, what are you doing. So, from a sense of interest in the first instance, as a result of my early life and from a sense of obligation to children who look to a father for guidance and direction in this area, I have done a bit of research. I want to say at the outset that I welcome the hon. member's motion.

You know, he is not making suggestions or recommendations as to the kind of regulations we should have in dealing with animals. He is not suggesting the most humane method of trapping fur-bearing animals nor is he suggesting methods which might be used to preserve wildlife and animal life in Canada. He is suggesting that a special committee be set up to consider all the things he would like to see done in this field. Why does he feel that this is necessary? I suppose he has done at least as much reading as I have. He is probably a member of a wild life organization, maybe of one or two, and because of his interest in this field I am sure that people not only from his own constituency but all over Canada write to him, knowing his concern.

Who can disagree that today there is a necessity and a sincere desire to safeguard the health and welfare of research animals? We do recognize that there is cruelty. No government can legislate against cruelty. A government can only draw up guidelines for the direction of people who are entrusted with the care of these animals. In the past I believe there has been an abuse and a waste of research animals, not because the majority of researchers are callous, but because in all societies there are people who, in the absence of guidelines, act in an uncontrolled and disdainful manner. Our society is still far from perfect and we must constantly strive to bring about improvements. One of the wonderful things about Canada is that we get as disturbed as we do about the destruction of seals, the destruction of wolves, the destruction of animals, hunting them by aircraft and even the licences which have been given recently for the killing of polar bear for what have been described as good economic reasons. This amount of concern makes me feel we have little to worry about in this area.

What improvement has the federal government brought about in the use of research animals? It has established the Canadian Council on Animal Care and the Animal Care Resources Panel. Members of these responsible bodies, acting from a sincere desire and sense of obligation to provide the highest possible standards of care and treatment of animals used for scientific research and for teaching purposes, have produced a booklet called "Care of Experimental Animals—A Guide for Canada." I respectfully suggest that this be required reading for all engaged in this field. The concepts presented in this guide are derived from scientific principles, moral considerations and from a feeling of responsibility for the lower forms of life. Let me quote from the introduction to this guide:

Before the decision to use an animal for experiment is made, consideration must first be given to the possibility that lower orders, or non-sentient methods would provide the necessary information. If not, it is the responsibility of the investigator to choose judiciously the species of animal.

In this short quotation is summarized the entire field of responsibility of the scientific profession toward the use of animals in research, and I stress the word "responsibility" because the scientists in this group do recognize their obligation in this field. Surely, it is their responsibility to consider whether lower forms of animals or non-sentient forms of life can be used to provide the answers that research is seeking. This would prevent some of the cruelty which is inflicted upon animals and eliminate some of the waste to which I referred earlier.

The major principle for the care of experimental animals is the prevention of unnecessary pain and discomfort. We seem to be balancing two priorities here as so

often is the case. We need to carry out this kind of medical experimentation in order to find cures for cancer, and who can deny it would probably be necessary to inflict some pain, some death and some discomfort on animals in order to bring about a cure for this most dreaded disease. We recognize that there are situations in which pain or discomfort may be experienced by an animal being used for experimental purposes and this may be a necessary concomitant of the investigation. However, such experiments should be, and I think are, only undertaken when, on the basis of expert opinion, the significance of scientific investigation justifies the procedure. Here again a judgment must be made by those individuals who have the responsibility to do so.

• (5:10 p.m.)

What is the responsibility of the government? Would we, in effect, be in the research laboratory itself looking over the shoulder of research scientists? I think not. But I do feel that we have an obligation to provide some kind of guidelines so that the individual medical research technician or doctor will know what is expected of him. I understand that the guide being put out by the organization to which I referred earlier has become so sophisticated in its recommendations that even noise levels in animals rooms are controlled. Background noise may be provided to cover or modify the level of existing noise, depending on the specific need. If this had not been suggested to individual researchers, I wonder whether it would, in fact, have occurred to them.

I think that the care of animals goes beyond their immediate environment. There are also considerations of a structural nature. For example, the location of the building to avoid unnecessary transportation of animals over long distances and exposure to climatic extremes immediately before experimental use are two such considerations. Floors of buildings must be specifically designed to be hard, durable and impervious to water. All of these things to an individual who has little or no concern for the welfare of animals seems to be carrying it to a ridiculous extreme; yet if we do not set these high standards we will surely find that medical researchers will feel it is their moral right to drop below the standard is expected of them.

One further aspect that I should like to stress in connection with animal husbandry is the handling of animals so that they are accustomed to proper and frequent handling and made more suitable for experimentation. Only trained individuals who are familiar with animals and who have been trained in handling and restraint procedures should manipulate animals in order to minimize the possibility of injury to them and to the handler, and to minimize disturbance to the well being of the animal itself.

In conclusion, the humane care and use of research animals, indeed of all animal life, is the concern of any moral and conscientious society. Surely, it is the prime responsibility of those individuals who use animals for research purposes. One cannot underestimate the benefits to man that accrue from the use of animals in biomedical research. We must expect that such research in the future will bring equal or even greater benefits to all forms of life. It is this expectation that justifies the necessity for animal experimentation.

As I said in my opening remarks, non-sentient and lower forms of animal life are used whenever possible. However, when higher forms of animal life are used, it is the responsibility of the user to provide humane care and treatment, to minimize pain and discomfort and to avoid unnecessary use. I have a daughter who wrote an article for a humane society competition and received an award for her concern for the welfare of the animal world. I am proud to have had the opportunity of playing my part publicly in this forum, as she did in the only forum that was open to her.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise to make a request which I believe will be granted. The hon. member for Vancouver East is not able to be in the chamber this afternoon and he had hoped that the hon. member for Vancouver-Kingsway might say a few words in this resumed debate. However, the hon. lady did speak when the matter was before us on October 26 and it would require unanimous consent for her to be given the floor again. I am asking that that consent be given; there was a previous understanding that it would.

Mr. Corbin: Mr. Speaker, on the understanding that the hon. member for Hull, who also has spoken previously to this motion, will be afforded an opportunity of saying a few words on the subject.

Mr. Deputy Speaker: Is it agreed that the hon. member for Vancouver-Kingsway and the Parliamentary Secretary to the Minister of National Health and Welfare will be accorded the privilege of speaking a second time in this debate?

Some hon. Members: Agreed.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, may I thank the House for its courtesy; I will not trespass unduly on the time of the House. I was very pleased indeed to hear the first speaker welcome this motion, and I should like to re-emphasize the purpose of the motion, which is to have the Prime Minister (Mr. Trudeau) designate a committee to which various matters affecting animals would be sent for purposes of regular discussion. This committee would have the power to call witness and to call for documents, to study the matter and to make recommendations in its report.

I feel that it is of great importance that this be done. I say this because I do not think that animal well-being or welfare has received any concerted study by the House, partly because we are so engrossed in the welfare and needs of human beings that we have not yet got around to animals. I believe that one of the reasons for the establishment of such a committee now, and for it to be put to work without delay, is that the Canadian public as a whole needs to be alerted to the matter. Some of them are. Some members of the public have been pressing for this action for years. But the on the whole the Canadian public is not alterted to a number of the aspects governing animal welfare.

I want to touch very briefly on just a couple of these aspects. The first is the matter that has just been dealt with at length, namely animals used for experimental purposes. I do not think that in the year 1971 it is sufficient for animal experimentation to be carried on by voluntary guidelines; that is just not good enough. Certainly, it has not been regarded as good enough in the countries of the world that are ahead of us in restricting cruelty to animals and in seeing to their care. While I do not undervalue the work that is being done by the Canadian Committee on Animal Care, I do feel that they need the additional assistance of legislation to make sure there is proper care.

I do not think that this matter should resolve itself into a question of trying to find species of animals whose pain threshold is not as great as that of other animals that are higher up in the sphere of evolution. My colleague, the hon. member for Vancouver East (Mr. Winch), referred the last time he spoke to the establishmemt in the United Kingdom of the first research institute that does not use animals for experiments. This is the Walter Hadwen Trust for Humane Research, located in England which employs the techniques of tissue culture, cell culture, organ culture, robotics, films and computers.

Dr. Charles Mayo, one of the founders of the famous Mayo Clinic, has made this statement:

> I abhor vivisection. It should at least be curbed. Better, it should be abolished. I know of no achievement through vivisection, no scientific discovery that could not have been obtained without such barbarism and cruelty. The whole thing is evil.

Perhaps this statement is going a little too far; perhaps not. But I believe that a committee of this House designated by the Prime Minister should go fully into such questions as the experimental use of animals for research purposes. They should attempt to find out how much live experimentation is legitimate, how much legislative protection this requires, and what other means can be made available. My colleague from Vancouver East has spoken earlier about the experiments taking place to devise less cruel animal traps for trapping wild fur-bearing animals. Several versions of traps are being tested. Such a committee should call witnesses in order to find the most humane means of trapping.

• (5:20 p.m.)

What I have said relates to the part of the motion about cruelty to animals. The other part I want to deal with relates to the protection of humans. Unless we can find ways and means of protecting animals, fish and birds in our environment, we are going to bring down the whole ecology necessary to our very existence as a species. Let me refer to the Montreal *Gazette* of May 9, 1970. This article reads:

> The Canadian Wild Life Federation says 65 Canadian wild life species are being endangered and face possible extinction.

The article then asks why this is so. There must be reasons which could be provided the Canadian people in order thatthey might know the appropriate action to take. Of course we know bits and pieces of the total picture. We know about oil and mercury pollution and the effects of pesticides. We also know the danger of over-hunting. But we have not had the whole picture put together in order to help us plan a concerted program to save our wild life. We know that at least eight Canadian species are in great danger of being wiped out, including the timber wolf, the fisher and the polar bear. There are supposed to be about 10,000 polar bears left in the world, 6,000 of which are in Canada. The Soviet Union decided some years ago to take measures against polar bear hunting. I understand we, in Canada, cannot contemplate such action because polar bears are the only animals the Eskimos can shoot in order to survive. We are not prepared to adopt ways and means to save either the Eskimos or the polar bears. The other species in danger of extinction are the cougar, the walrus, the grizzly bear and the bald eagle. There are some other species which have been saved in the nick of time as a result of proper action, including the beaver, the bison and the whooping crane. But these are still on the very precarious edge of extinction.

We should urge the government to set up this committee to study ways and means of dealing with the whole matter of animals and their well-being. The committee should study the aspects of experimental animals and how they are being looked after. We must also look into the over-all picture. We are not only talking in terms of saving animals but also in terms of saving human beings, our quality of living and the ecology upon which we depend. What is the use of talking about the tourist industry, with all the beutiful parks and that sort of thing, if we are going to kill off some of the most attractive features, namely our wild life species?

Without using any more of the time of the House I should like seriously to urge that we consider the intent of this motion. It is not the intent to have the committee study the narrow aspects of experimental animals, humane trapping or penalizing people who abuse animals and that sort of thing. These are all necessary features and are included. My colleague, the hon. member for Vancouver East is making an appeal on the broad ground that we should look at animal species from every possible angle in order to determine whether we can deal with their welfare as a whole program, giving the Canadian people a chance to understand the situation. We want to get at the facts as a result of calling witnesses and asking for the presentation of documents to a parliamentary committee. If we do this, we will be taking one step in the direction of making Parliament very much more relevant in the minds of a lot of people in this country. These people are concerned not only about animals but that we shall have an increasing interest in living things. We must preserve our wild life for the benefit of our children and grandchildren. I strongly urge the Prime Minister to designate a standing committee of this House to make this the first piece of business for the fall session.

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): In rising to speak on this

motion I should like to deal specifically with parts (b) and (c). Perhaps I should read them:

(b) as far as federal jurisdiction permits, recommendations regarding legislation providing penalties for those abusing animals, and any persons making a business of raising or catching animals for sale to research individuals or centres and not keeping same in humane manner (c) the most humane method of trapping fur-bearing animals . .

Previous speakers have touched on some aspects of the trapping of wild animals. One of the considerations to be taken into account when dealing with this matter is the economic and sociological problems that would arise when the prohibition of trapping precludes the possibility of banning leg-hold traps. Humane traps are available but are much more expensive to buy and require further testing before being acceptable to trappers. In fact, a great deal of testing has been going on for years.

A number of committees have dealt with this important subject. So far there seems to be no valid or conclusive consensus as to which kind of trap would be the most efficient in the circumstances. Another consideration one must take into account is that trapping and fur management are provincial responsibilities, and although previously discharged to some extent by the Department of Indian Affairs and Northern Development in the Northwest Territories they have now been transferred to the territorial government. This matter also involves co-operation between various jurisdictions, in this case the provinces and the federal government. It is not an easy situation because the provinces are quite jealous of their jurisdiction in this and other fields. This poses a number of practical problems in arriving at some viable solution. The point is that as far as the public is concerned, when there is some blame to be pinned on anyone it is usually pinned on the federal government. I should like to make it quite clear that perhaps the provincial authorities have not researched this important question deeply enough.

• (5:30 p.m.)

I would have to admit, however, that there has been some on-going co-operation between the two levels of government in the hope of arriving at an acceptable long-term solution. The Canadian Association for Humane Trapping, CAHT for short, which is affiliated with the Canadian Federation of Humane Societies has established a trap development committee. That committee plans to test the efficiency of hunane traps available and establish further basic parameters for the development or modification of humane traps; a quicker kill is the obvious objective. That agency will deal directly with the provincial and territorial agencies once the humane traps have been evaluated.

Some time ago Dr. Nicholas Novakowski, who is staff specialist of the Canadian Wildlife Service, Department of Fisheries and Forestry now, presented a paper dealing with the efforts which have been made to date in arriving at what one would call a humane trap. He had this to say:

The subject of humane trapping has been discussed by the Federal-Provincial Wildlife Conference on several occasions over the past few years. You are probably all well aware of the joint efforts of the Canadian Wildlife Service and the National Research Council to design and develop a trap which is both technically efficient and humane. In 1966 the Indian Affairs Branch became actively involved in the development of the Mohawk trap, resulting in the production of 2,500 muskrat-mink models and 30 beaver models for field testing purposes. The Conibear trap—

Mention was made of this earlier in the debate.

—developed by the American Trap Co., has been available for several years, and its use has gradually increased, particularly for beaver trapping and other underwater sets.

When the Mohawk trap was distributed, a questionnaire accompanied each trap, requesting certain specific information relating to its technical efficiency, catching capability and killing qualities, and also to determine its market potential. Many of you are familiar with the questionnaire.

The over-all response to the questionnaire has been disappointing in that relatively few trappers have replied, and few detailed comments have been received from the field staff concerned. However, this may be due in part to the method used to solicit the information and the fact that only a small number of trappers were equipped with the traps. In any case, 20 questionnaires were returned on the beaver trap and 43 returned on the muskrat trap.

In addition to these returns, we have reports on several projects designed to test the traps under more or less controlled conditions. It is significant to note that reports from both sources are comparable. We can, therefore, assume the comments received are a fairly true indication of the Mohawk trap's technical efficiency and humane qualities.

Trapping using a leg-hold trap is offensive to many people. We have been exposed to this method of trapping on a number of occasions on television and through photographs in the printed press recently. It is understandable that there should be a very strong movement afoot to ban this form of trapping. One's humane emotions are aroused when one sees a small animal trying to wriggle its way out of a leg-hold trap. Naturally, our heart goes out to such an animal. However, until an efficient, humane trap is available at prices within the reach of trappers, the banning of leg-hold traps would impose real hardships on many Canadians. This would be true particularly of our Indians, Eskimos and Métis.

I have some figures I would quote. They are not very recent. The average annual value of raw fur production in Canada during the ten-year period 1950 to 1959 was $25.7 million. In 1958-59 the total production of raw furs in Canada was 5.2 million pelts with a value of $25.8 million. The value of wild furs was $9.7 million, and ranch furs $16.1 million. This proves that if one were to ban, starting tomorrow, the use of leg-hold traps it would certainly impose economic hardship on those people who have depended for years, indeed for generations, on such traps. It is a way of life with most people who have depended on this source of income.

Reference has been made during this debate to the conservation of birds and mammals. The hon. member for Vancouver-Kingsway (Mrs. MacInnis) mentioned that eight species are in danger of extinction. I believe I could enlarge on that figure and mention some species which are in danger of disappearing from the Canadian wildlife scene.

There is the Roosevelt elk, which was found on the mainland in southern British Columbia and is now found in limited numbers only on Vancouver Island. There is

the California bighorn. This species, formerly present throughout the southern interior of British Columbia is now restricted in separate herds—the Chilcotin-Riske group, the Ashnola group, the Vaseaux Lake group in the Okanagan and some other groups associated in the same general area which total approximately 1,200 animals.

The wood bison naturally comes to mind when we speak of endangered species. There is also the northern kit fox. This species, once common on the great central plains of Manitoba, Saskatchewan and Alberta, is now found only in southern Alberta and southern Saskatchewan. Then there is the Vancouver Island wolf, the northern Rocky Mountain cougar, the eastern cougar, the blue bear or glacier bear and a number of brown bear groups which may disappear if we are not careful in the management of our wildlife.

There is the barren-ground grizzly, the Lillooet grizzly, and the big plains grizzly. This animal is another species of wildlife which is reported to be endangered. Another example is the black-footed ferret. This interesting species was once common in southern Alberta and southern Saskatchewan and was generally associated with prairie dog colonies. A predator of the prairie dog, the ferret, was reduced in numbers as a result of poisoning campaigns to reduce the number of prairie dogs which interfered with ranching operations and cultivation. There are very few records of any black-footed ferrets being sighted and the animal may be more common in the United States than in Canada. If so, rehabilitation is a possibility.

• (5:40 p.m.)

The Newfoundland pine marten is another endangered species on the list, as is the black-tailed prairie dog. And unfortunately in connection with this list we must mention those species which have disappeared altogether from the Canadian wildlife scene. These are the Queen Charlotte Islands caribou, the great plains wolf and the Newfoundland wolf. There are also many species peripheral to Canada which are in danger of extinction if man is not careful.

I referred a few moments ago to federal-provincial jurisdiction and I would like to return to that subject. Federal authority in the management of terrestrial wildlife, birds and mammals, is restricted at the present time to migratory birds as defined by the Migratory Birds Convention of 1916 with the United States, and to all forms of wildlife found in national parks. Responsibility for all other forms of terrestrial wildlife is vested with the provincial or territorial governments. This includes upland game birds such as grouse and pheasants, all fur bearers and big game animals such as deer, moose and caribou.

The management of migratory game birds is carried out under close federal-provincial co-operation and co-ordination. The principal mechanism is through a federal-provincial wildlife conference held annually in mid-July. All regulations relating to upcoming hunting seasons are reviewed at that meeting of chief provincial and territorial game officers and the Canadian Wildlife Service. Enforcement of the subsequent regulations is also a co-operative venture wherein all provincial conservation officers hold cross appointments as ex officio game officers under the Migratory Birds Convention Act. In addition to the major federal-provincial conference, provincial subcommittees have been established to discuss non-policy technical matters and provide a forum for briefing senior provincial and federal officers.

This will be the extent of my contribution to this debate, Mr. Speaker. I see a lot of merit in the motion which is before the House and certainly I would not object to the establishment of a committee to deal with this matter. I am sure that the discussions which would take place in such a committee would enlighten not only Members of Parliament but the Canadian public generally as to humane practices in dealing with animals, as well as to our conservation efforts in the area of wildlife.

Mr. D. W. Groos (Victoria): Mr. Speaker, I did not realize that this motion would come before the House quite so soon, so I am somewhat unprepared. But I would begin by saying that the hon. member for Vancouver East (Mr. Winch) and I many times have things in common, and this is one of them. I support him strongly on this motion which covers in part a matter which is close to the hearts of a number of people in this chamber, including the hon. member for Vancouver-Kingsway (Mrs. MacInnis). I wish I could have been here to support her motion when it was put before the House but, as second best, I am glad to do so in the case of this motion proposed by the hon. member for Vancouver East.

I have been reading the debates, Mr. Speaker, particularly the one on the hon. member's motion when it was first presented on October 26. I am a little surprised and would like to make a correction for a situation which appears to have arisen in that in the various comments that were made at that time, no mention was made of an organization which I think is a valuable one which operates out of Vancouver and is called the Council for Laboratory Animals.

As you will notice, Mr. Speaker, the motion is in five parts, (a) (b), (c), (d) and (e). I will restrict myself to commenting on the first part of the motion which has to do with "the use of animals for medical research purposes, their care and utilization, and procedures for government licensing and inspection of, and control over, all premises using animals for laboratory research or medical training." What we are faced with here is a very natural conflict which arises within all our minds, namely, the conflict of the requirements for legitimate research involving experimentation on animals and our very natural concern for animal welfare that this research be carried on in as humane a way as possible and that no unnecessary pain be caused the animals which in some cases are giving their lives so that we can live better lives.

Just to point this up, Mr. Speaker, I would first like to put on record a remark made by Sir Graham Wilson, who was former director of Britain's public health laboratory, in testimony before a United States House of Representa-

tives committee on animal care in 1965. He used these words, which I think strike home:

There is a degree of pain which no human being has a right to inflict on an animal no matter what increase in knowledge might be expected to result.

I agree with that and that is why I support so strongly the Council for Laboratory Animals. In the previous debate on October 26 we heard of another very fine organization, the Canadian Council on Animal Care. But as the hon. member for Vancouver-Kingsway pointed out, the Canadian Council on Animal Care deals with animal husbandry, whereas it is the Council for Laboratory Animals which is dealing specifically in an area where apparently at the moment there appears to be no real effective law, namely, the welfare of animals while they are undergoing experimentation.

In the brief time at my disposal I would like to place on record a submission which was made to the Minister of Justice (Mr. Turner) by the Council for Laboratory Animals as recently as the beginning of this year. It is very short, just one page, but it says a lot of things that need to be said and I think to place it on record in *Hansard*, which has such wide distribution, is the best possible use I can make of my time in bringing my remarks to a close so that a vote can be taken on the motion. It reads:

It is now some seven years since the Council for Laboratory Animals first drew the federal government's attention to the unsatisfactory treatment of research animals in Canada.

During the last three years considerable progress has been made in improving the housing and husbandry of laboratory animals in Canadian universities. The Canadian Council on Animal Care, set up at the Association of Universities and Colleges of Canada in 1966 with National Research Council financing, has been active in encouraging the universities to upgrade the 70 per cent of animal facilities which were rated as inadequate at the time of the original survey. Animal care committees have been established at most universities, and steps taken to raise the standards of training of laboratory technicians responsible for the animals.

• (5:50 p.m.)

The Canadian Council on Animal Care has not, however, been given the responsibility of reviewing experimental procedures and this represents a major gap in the protection afforded to laboratory animals. The medical journals report considerable numbers of Canadian experiments involving pain or stress to animals each year, some of which appear, on the face of it, to be of doubtful value in relation to the suffering involved, and we attach a short list of examples to indicate the wide variety of experiments in which animals are used.

Here we come to the meat of this submission, Mr. Speaker.

We believe that, just as the private individual is required under the Criminal Code to justify the infliction of suffering on an animal, so the scientist should be ready to justify painful experiments before a competent body. We suggest, therefore, that the staff of the Canadian Council on Animal Care be expanded to include a small, but highly qualified, inspectorate of medical and veterinary scientists who would review proposals for experiments approved by university animal care committees and the subsequent reports of these experiments.

It would be the duty of the inspectorate to ensure that unjustified or excessively painful experiments were not conducted; that the statistical minimum number of animals required were used, and that suffering was reduced, wherever possible, through appropriate methods of anaesthesia, analgesia and euthanasia. The inspectorate would also examine every possibility of substituting one or another of the increasing number of techniques in which animals are not required, in place of the time honoured, but generally less reliable, methods of experimentation and testing on animals.

I should like to speak at greater length on that aspect of the matter, Mr. Speaker, but time is pressing.

The work of the inspectorate would not impede legitimate research in any way, as experiments could proceed on receipt of initial approval by the local university animal care committee—

One of the primary tasks of the inspectorate would, in fact, be to advise and assist scientists in the use of humane techniques, but in the event that a scientist deliberately disregarded the recommendations of the inspectorate, the granting bodies would be advised to take note of the fact in respect to future grant requests.

One province has already recognized the need to exercise a measure of control over experimentation through legislation which requires that "every animal used in a research facility in any experiment that is likely to result in pain to the animal shall be anaesthetized so as to prevent the animal from suffering any unnecessary pain." Supervision of experimentation requires, however, a high degree of scientific and veterinary expertise and it makes little sense, financially or administratively, to establish separate inspectorates in each province for this purpose, when a small but highly qualified federal inspectorate, in close touch with the national granting bodies, could handle the job more effectively and at considerably less expense.

We suggest, therefore, that the federal government take steps: (1) to provide permanent funding for the inspectorate of the Canadian Council on Animal Care in order to ensure its continuity and (2) to make the inspectorate responsible to the Minister of Agriculture rather than to the institution whose facilities it is required to supervise. The council would then become advisory to the minister and its membership could be expanded to include a higher proportion of persons concerned with the interest of animals.

If the inspectorate was placed under the aegis of the federal Minister of Agriculture, it could also take over the inspection of federal government institutions engaged in animal research and testings, and of those pharmaceutical companies conducting research with animals which sell their products to the federal government or its agencies.

Under the above proposals, while the university animal care committees would retain their local autonomy, every phase of animal use in all fields of Canadian research and testing would be brought under centralized supervision, with its attendant advantages of uniformity of application, high qualify of personnel and administrative economies.

In closing, Mr. Speaker, I repeat that this submission was prepared by the Council for Laboratory Animals in Vancouver, British Columbia, and was submitted to the Minister of Justice in January, 1971. I have no hesitation whatsoever in placing it on record because I think it lends support to a portion of this motion of the hon. member for Vancouver East, from the far west, and I leave it now to the decision of this chamber.

Mr. Knowles (Winnipeg North Centre): Question.

[*Translation*]

Mr. Gaston Isabelle (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, we have been hearing for some time quite interesting discussions on animals used for research purposes. I do not wish to rise without paying a tribute to the hon. member for Vancouver East (Mr. Winch) who introduced that motion, because I know that he is a dedicated man and a

very active politician. As he is ill, I hope that he will soon recover, in order to contribute with his customary enthusiasm to the proceedings of this House.

I continue to speak on the motion, because I wonder where medicine, whether it is dentistry or other branches, would stand if we had been unable to carry on our medical research on animals.

I wonder what stage medical science, and particularly surgical science, would have reached without the availability of research animals.

Finally I wonder what Best and Banting would have done, those great research scientists who discovered insulin, who succeeded in extracting from the pancreas of animals a fluid called insulin which has enabled the great number of diabetics—and God knows that among the Canadian people as among the population of the world the proportion of diabetics is great—to lead a normal life, that is to live like first class citizens.

In the treatment of shock as well as in the treatment by antitoxins, I wonder where we would be if animals had not been available.

Furthermore, I would like to say that the Food and Drug Directorate uses several species of animals in its laboratories in order to test new products which arrive on the market every day—

[*English*]

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business having expired, I do now leave the chair to resume same at eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PRAIRIE GRAIN STABILIZATION ACT

PROVISION FOR PAYMENTS TO WESTERN CANADA PRODUCERS IN YEARS WHEN RECEIPTS BELOW FIVE-YEAR AVERAGE

The House resumed consideration of the motion of Mr. Lang that Bill C-244, respecting the stabilization of prairie grain proceeds and to repeal or amend certain related statutes, be read the second time and referred to the Standing Committee on Agriculture.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, before we adjourned this debate at five o'clock I had been asking what stabilization is really all about. I am bothered because many members of the press and many people on the government side of the House keep speaking about the $100 million payment. Many politicians across the country have been talking about this $100

million. The Premier of Saskatchewan has talked about the $100 million which is to be paid out to the agricultural producers in that province. The Minister of Manpower and Immigration (Mr. Lang) also has talked about this $100 million. If we break this figure down we find that the average payment to the individual producer will be only $560. We also find that the largest amount any producer could receive under any circumstances would be $960.

• (8:10 p.m.)

If members opposite suggest that the votes of these people can be bought for $560, or if we the Premier of Saskatchewan believes that $560 will make the difference between success and failure in that province, they should be corrected. The average producer in this country knows what $560 will buy. I am positive that every member of this House knows what it will buy for him. It can be used very easily for contributions and other things without any problem at all. When talking about this mythical $100 million, the producers in western Canada realize that $560 will be the average payment. They will not be able to build even one grain bin to store their grain when the Temporary Wheat Reserves Act is done away with.

It is important that we realize that the stabilization program is not related to the cost of production or inflation. Both the gross and net farm income become less and less. Every year the average payment will be lower and the law of diminishing returns will step in. The minister is aware that in the present situation the law of diminishing returns will step in.

When we look at the bill before us we are actually looking at economic stagnation. We are talking about stabilization. Hon. members know what that is all about. It is stabilization of those least able to obtain a fair return on their investment. That type of stabilization is not in the interest of the agricultural producer or our economy generally. The stabilization which the government is talking about really means elimination. That is the name of the game that the federal and some provincial governments which support the stabilization plan are talking about. This whole nation will suffer from the consequences of any legislation brought in under this stabilization program.

The second problem, of which the minister is well aware, concerns competition against the treasuries of other nations. The government talks about stabilizing the income of our agricultural producers. Other nations subsidize agricultural producers through their treasuries. These nations have a fair and equitable standard of living. They take into consideration the cost of production and the inflationary spiral about which we hear so much. This country has always been one of the world's main producers of grain. We must realize that we are not being fair to those who produce the basic commodities of life. It is strange that the minister has introduced a bill such as this when we are not prepared to give favourable consideration to the backbone of our nation, the agricultural economy.

I could draw on many statements from different sources in this country that spell out in detail what I am talking about. The Manitoba pool elevators did not hesitate to criticize the stabilization plan. They passed a resolution at their December, 1970, meeting dealing with the stabilization plan. The resolution reads:

> Whereas Mr. Lang is urging the immediate passage of his grain stabilization plan through the House of Commons;
>
> And whereas a lack of information to the western farmers on detail, and implications of the proposed plan are not available nor forthcoming;
>
> Be it resolved that Manitoba pool elevators urge our provincial government and all Western MPs to do everything possible to delay passage of this bill until farmers are fully aware of the contents of the bill and what benefit it will be to the farmer.

This resolution was forwarded to all Members of Parliament, including the minister in charge of the Canadian Wheat Board. It appears from this resolution that the Manitoba pool elevators are questioning whether the stabilization program proposed in this legislation is really telling the agricultural producers what may happen if the plan goes into effect. They suggest that serious consideration be given to this type of stabilization program.

The attempt by the hon. member for Saskatoon-Biggar (Mr. Gleave) at the outset of this debate to divide the bill would have made it more worth while discussing. We could have dealt with the bill in two areas, instead of suggesting that because we are going to hand out $560 to an individual producer this is enough to make members vote for the bill. I have some figures from the Dominion Bureau of Statistics. I realize that they were quoted last Friday. I think it will be sufficient to read the net farm income for three of the prairie provinces. In 1967 the figure for Manitoba was $154,392,000; in 1970 it was $78,631,000. The 1967 figure for Saskatchewan was $354,-896,000, and $202,718,000 for 1970. For Alberta, the 1967 figure was $282,953,000, and $226,231,000 for 1970.

When talking about stabilization, the government should be asked whether it is using the 1970 or 1967 figures with regard to stabilizing farm income. I am sure the minister will have something to say about this situation when he winds up the debate, whenever that may be. Although the government talks about an average five years, the fact remains that there have been terrific differences in the figures from 1967 to 1970. This situation can again occur, if we use the figures put out by DBS.

The National Farmers Union have clearly pointed out the situation. They have stressed the importance of stabilization payments being based on realized net farm income rather than gross farm income. Surely the minister realizes the difference between net and gross income. I am sure the agricultural producers of this country will not hesitate to state their costs of production. The difference between net and gross has definitely been missed by the minister and the cabinet in general. I quote from the National Farmers Union "National Newsletter" as follows:

> The net income base is essential if the plan is to help individual farmers and rural communities.

Hon. members with constituencies composed of rural and urban areas realize that the people in both areas are concerned about the net income that individual producers will receive. The government believes it can talk about gross income and completely forget about net income.

• (8:20 p.m.)

An article in the *Financial Post* of March 13, 1970, talks about the government's new big farm policy. It may be "big farm" for some individuals who may be lucky enough to become big farmers, but in the area I come from we are still concerned about the basic, individual farmer. In many areas throughout Canada today, particularly in the west, we are concerned about the basic farmer, the part he plays in the community in which he is involved, the type of recreation he enjoys and contributes to, and the type of income he must receive to make his a viable and economic rural community. The article reads in part.

> The federal cabinet has approved a broad national plan designed to speed up the exodus from Canada's farms and encourage larger-scale farm operations.

Larger-scale farm operations, to me, really means corporate farms and it would appear that this government is hell-bent on a program of ensuring that corporate farming will take over from the individual farmers we have always had. I am also of the opinion that the rural people in our agricultural economy are very fightened of this stabilization program because they feel that the only people who will be stabilized are the corporate farmers. Past history has taught them that the government is really not concerned with making sure that the smaller farm can be a viable, economic unit. I quote further from the article in the *Financial Post* as follows:

> One result of the long-awaited adjustment program should be to speed up the exodus from the farm and to accelerate the process towards larger, more economically viable farms.

Again I would suggest that if it is the intention of the government to speed up the exodus from the small farms and accelerate the process toward larger, more economically viable farms, then the government should say so right now. It is not fair for agricultural producers in this country to be left in doubt as to what the government is really talking about. It seems to me it is only right and fair to let the individual farmer, the person who has made his life on a farm, know whether or not he is to be allowed to remain on his farm.

As we read some of the statements which have been made—I refer now to the statement made by the Canadian Federation of Agriculture—we see reference to the fact that the federation believes strongly that one program or policy cannot and should not attempt in itself to meet all the outstanding needs to which I have referred. The federal financial commitment in meeting the economic needs of farmers and the prairie economy involved in the stabilization plan is far too low in terms of present conditions and prospects. It appears to me the views of the federation should have been recognized by the minister. Perhaps he does not listen very often to the opinions expressed by the federation or to the views of outside sources generally, preferring advice from inside his department. The minister should be thinking about the

statements which are being made, recognizing that they come from practical people.

Many times I have said in this House since I came here about three years ago that we need more practical individuals to deal with problems affecting our agricultural community. Unfortunately, I seem to make no impression with my view. We involve ourselves with people coming from universities, with people who have never been on a farm in their lives, with people who really don't give a damn whether or not the agricultural economy survives in this country.

This is one of the main questions which I am asked when I tour my constituency. I am asked whether there are any practical people involved in the decision-making process. This in itself is one of the most important areas which we as parliamentarians should be considering. The statement of May 7 by the Canadian Federation of Agriculture—I am surprised that the minister had not read it before the question period today—is as follows:

> It is clearly and unmistakably the federal government's responsibility to ensure that the special payment is made, and made soon, while also ensuring that adequate opportunity is given for the consideration, modification and improvement of the long-term proposals contained in the bill.

At some point, Mr. Speaker, it appears the minister ought at least to consider that there should be two sections to the bill which he could quite easily bring before this House. There would then, in my humble opinion, be no difficulty in having the fundamental portion of the bill referred to the committee in order that we could look at the proposal in greater depth than we can in the House at this time. As long as the minister continues to talk about a $100 million stabilization plan, when in effect he is talking about $560 per individual, this debate could continue for quite some time. I believe that the minister and the cabinet will have to accept reponsibility if the farmers receive only the paltry $560 to which I have referred.

The Canadian Federation of Agriculture continued in its brief:

> The urgent necessity of immediately supplementing the incomes of prairie farmers is clearly seen in the disastrous figures on farm income recently released by the Bureau of Statistics.

I read those figures to the House. It would also be worth while, Mr. Speaker, to read another paragraph from the brief of Canadian Federation of Agriculture:

> It must be recognized that this bill is clearly designed to place definite limits on the federal obligation to support prairie income even in the face of chronic income inadequacy.

Perhaps the minister would look up from his seat for a moment and realize that there is a chronic income inadequacy contained in the legislation introduced into this House of Commons. It would appear to me that the least the minister could do would be to realize that right now there is a problem in the rural areas of Canada. He should realize there is something which he could do immediately, that is, divorce the two issues dealt with in the legislation before us.

Another quotation I should like to use is taken from a statement issued by the Saskatchewan Wheat Pool. A resolution passed in February urges that the Canadian Wheat Board's jurisdiction be expanded to cover the marketing of flax, rye and rapeseed. Further, that the federal government should guarantee initial prices at realistic levels for each grain. No attempt has yet been made by the government to do this. It may be an attempt has been made to guarantee a basic level for each grain which, in fact, as has been pointed out many times, is a poverty level.

In fact, as I pointed out the other day, the individual grain producer is not making more than four cents a bushel on his grain. This is a disgrace, to say the least. It is a disgrace that the government should sit back and do nothing for a producer who cannot make more than four cents a bushel on his grain. Another point made by the Saskatchewan Wheat Pool is that an adequate grain reserve should be established to meet all market demands, the costs shared jointly by producers and government. When we look at today's situation we realize there is no adequate grain reserve.

• (8:30 p.m.)

In a quotation attributed to the minister himself he suggests that there can be other areas where individual farmers can make private arrangements with elevator companies to store grain; that this could be done despite the amount of grain presently in the elevators.

What surprises me most of all is that the minister has said many times in this House that we need space available in elevators to meet any situation demanding immediate attention. With this I agree wholeheartedly. But in the next breath the minister goes on to say that private arrangements may be made by individual farmers to use country elevators for storage. This makes me wonder whether the government is really concerned to see that grain storage space is available. I suggest it is high time this situation was looked into.

I should like to remind the minister of one of the proposals submitted by him on October 29 of last year. It concerns encouraging adjustment of farm units to a more efficient size. The minister proposed:

> The problem of farm consolidation is one which is not peculiar to the prairie region and which, perhaps, is less critical in this region than in other areas of Canada. It is therefore believed that it would be inappropriate to propose programs for the prairie region to deal with the consolidation issue in advance of the availability of programs to deal with this problem in Canadian agriculture generally. Such a general plan is in preparation.

I should like to ask the minister just what he means by encouraging adjustment of farm units to a more efficient size, if he is not in fact talking about corporation farms. I suggest the government should be charged with wanting to destroy the family farm, especially in view of proposals like the one I have referred to and the introduction of legislation that does not explain what the government is talking about. I believe that if the minister is interested in rural life in western Canada, he is obligated at this time to indicate just what he means by encouraging adjustment of farm units to a more efficient size.

Many people, the majority of whom have means and do not have to try to live on a modest income, have suggested that we should consolidate farm units into those of more efficient size. I suggest that rural Canada today is still the best place in the world to bring up a family. I also suggest that in rural Canada you do not find the kind of problems which are facing our large urban areas. When the minister talks about the adjustment of farm units to a more efficient size he should also take into consideration the amount of money being spent in urban centres to try to meet changing conditions. In effect, in talking about encouraging the adjustment of farm units to a more efficient size you are really talking about phasing out the small rural centre. The rural people of this country should be given the opportunity to examine the implications of the proposal made by the minister before deciding whether or not to support the so-called farm stabilization program, because you cannot talk about the one without talking about the other.

I suggest a deliberate attempt is being made to reduce the amount of grain in storage at elevators in order to avoid making payments under the Temporary Wheat Reserves Act. Perhaps not too many people can argue with that, but the fact remains that we should find out exactly what the minister and the cabinet mean by the elimination of the Temporary Wheat Reserves Act and whether or not there is a satisfactory substitute for the storage policy under that act. I can recite without hesitation the cost of storage facilities, and the minister knows that the sum to which he has referred as being sufficient for the average farmer, $560, would not even come close to buying one storage facility to store the quantity of grain that the agricultural producer will have to store on his own premises once the Temporary Wheat Reserves Act is repealed.

On February 26 an inquiry of the ministry was tabled. It asked, first of all, whether payments were being made on a monthly basis to the Canadian Wheat Board under the provisions of the Temporary Wheat Reserves Act; secondly, if so, whether the payments were still being made; and thirdly, if not, why not? If the government were on its toes, and the Canadian Wheat Board—which provides the answer to this type of question—and the people in the department realized the implications behind the question, an answer would have been furnished by this time, but I am still waiting.

We all realize that there must be a maximum normal carryover of all grains in position, at government cost. If this government intends to go into the wheat exporting business, there is no question that we have an obligation to ensure that grain will be in position for export to our overseas customers. I have heard statements made in this House that criticize the Canadian Wheat Board. As far as I am concerned, if more politicians would keep their cotton-picking fingers out of the Canadian Wheat Board's operations we would be a lot better off. It appears to me there are too many regulations, too many bureaucrats and too many people lacking practical knowledge condemning the Canadian Wheat Board to the extent that it cannot do its job.

The Canadian Wheat Board is in a position to know exactly what is required by way of grain exports. I recommend to the minister that when he has finished reading his novel the government should give the Canadian Wheat Board the tools to do the job. Let the board travel the world and do a proper job of selling our grain. I have seen too many brokerage firms trying to sell our grain today. I believe the Canadian Wheat Board can do the job if given the tools.

In closing, I urge the government, and particularly this minister, to reconsider the bill. Once again the minister should remember that he cannot gain political favour with the farmers of this nation by suggesting that they should accept this $100 million—$560 for each individual producer—with the rest of the legislation. If he separated that part of the bill there should not be any problem in taking a realistic look at the legislation before the House.

• (8:40 p.m.)

Mr. Don Mazankowski (Vegreville): Mr. Speaker, since the announcement of this program in October last most members of the House and many farmers across western Canada have been waiting rather anxiously for their legislation hoping that an effective measure might be incorporated in it in order to cope with continuing deterioration in the prairie grain economy. Unfortunately, it is rather questionable whether this measure will be very helpful in the long run. Obviously the government has high hopes for it, because it seems that every question directed to the minister in charge of the Wheat Board in the last six months respecting the prairie grain industry has been answered by reference to the legislation coming forth under the stabilization program.

It would be a gross oversimplification to suggest that this bill will cure all the ills of the prairie grains industry. On the contrary, it is conceivable that within three years the results of this bill will only add to the already long list of producers who have fallen by the wayside. It is no surprise that this bill is in close conformity with the bureaucratic, complicated red-tape programs that have preceded it.

Before dealing with the bill specifically I think in all fairness one has to take exception to the comments made by the minister in his press release of May 7, charging opposition members with deliberately working against the prairie agricultural industry. He want on to say that if this continued it would cost the western farmers $100 million this year. I ask you, Mr. Speaker, is this supposed to be some kind of a threat? The farmers understand this bill very well. They are not going to be taken in by this kind of gimmick. They certainly will not be bought off that easily, in spite of the fact they are now suffering very severe hardship.

I do not believe it is wrong to rise in this House of Commons and inform hon. members of the desperate plight, which is growing, in the west. This is our responsibility. Many members of this House come from western Canada and feel very strongly about agriculture and the legislative measures being introduced, ostensibly to assist the industry. We are in very close contact with the producers out there and know their reaction. It is

quite obvious that many of these measures are not acceptable to the majority of producers. It is fair to say that the minister is not communicating very well with the vast majority of producers out west, because the programs instituted under his jurisdiction simply do not provide solutions and to a very large degree these programs conflict with the aims, aspirations and wishes of the majority. I believe this bill fits that category. It merely sets out to stabilize incomes rather than improve them.

An hon. Member: Stabilized poverty.

Mr. Mazankowski: All it does is perpetrate a program of stabilized poverty. The vast majority of Canadians know it is of no use to talk to the minister responsible for agricultural policy or the minister in charge of the Wheat Board. They know they will not listen. Their promises are empty and meaningless.

The minister also talked about making political hay. Who was trying to make political hay when this program was first announced? The headlines across the country suggested the western farmers would receive a gift from the government. They were going to get a bonus in the form of a huge cash injection. The newspaper articles were misleading. They were distorted; they did not tell the people all the facts. There was no headline to the effect that the government intended to withdraw the Temporary Wheat Reserves Act and coverage of the pool accounts.

This bill sets out to reappropriate the expenditures and funds which have normally been supplied under the Temporary Wheat Reserves Act and losses on pool accounts which amounted to $131 million in the last crop year. We must remember the withdrawal of PFAA payments which have amounted to an average of $6 million a year paid by the federal government since the program was incorporated. Who was making political hay when the Lift program was announced? When that program was introduced the suggestion was that western farmers would receive another gift of $100 million to $140 million. Again this was misleading and the facts were not completely detailed. Now that the smoke has cleared, we find something like $55 million or $60 million being paid out under this program.

I have not seen any headlines retracting the grossly misleading statements made when the program was instituted. In addition, the measure was useful to only about 50 per cent of the people engaged in the production of grain in western Canada. Certainly the measure discriminated against and penalized those who engaged in a voluntary reduction of wheat in the previous year. Many more were short-changed by the program because of the complicated, bureaucratic devices and regulations surrounding the measure, not to mention the ambiguous statements made and misinterpretations in respect of it.

This is the kind of misleading and distorted propaganda facing the agricultural industry in western Canada. This performance is being perpetrated by the minister responsible for the Wheat Board, and the Minister of Agriculture (Mr. Olson). We know very well that the same thing happened in respect of Bill C-176, which was to be a producers' bill. We found out that it was nothing more than a bureaucrats' bill or a government bill. This bill was supposed to serve the interests of producers but it was designed merely to set up another political haven for the government, administered by government appointees. The producers caught on very quickly and wanted no part of this measure. They have rejected it completely. They know they cannot trust the Minister of Agriculture. He has broken faith with the farmers.

A great deal has been said about Bill C-176. There has been a fair amount of political in-fighting. Let me quote a short poem which I believe puts the matter in proper perspective. I do not know who is the author of the poem but it is signed by "Old Rancher". The hon. member for Swift Current-Maple Creek (Mr. McIntosh) suggests it was written by one of his constituents.

Mr. McIntosh: I didn't suggest; I told you.

Mr. Mazankowski: It goes like this:

Big Jack Horner got Bud in a corner,
Said your promises sound rather strange,
At this stage in the battle you've included cattle,
And sold out your home on the range.
You saw easy pickin's for backing French chickens,
May the goose pimples rise on your neck,
When you see the visions of voters' decisions,
And a chicken farm down in Quebec.

The Minister of Agriculture was crying in the same manner as the minister in charge of the Wheat Board when the House was considering Bill C-175, the new Canada Grain Act. In the June 30 issue of the *Globe and Mail* we find the following passage:

Opposition MPs "performed a real disservice" for western grain growers by holding up passage of a new grain act, agriculture minister H. A. Olson said yesterday.

• (8:50 p.m.)

Refusal to let the act through before the Commons summer adjournment, started last Friday, may seriously impede Canada's ability to market wheat with a guaranteed protein content, the minister said in an interview.

Many wheat importers seek a protein content guarantee before they will make a purchase.

Mr. Speaker, this is a distortion of the facts. I had the opportunity to attend a meeting in Lloydminster, Alberta, where the now chief commissioner, Mr. Vogel, was in attendance. I asked him whether Canada was losing any significant grain sales because of our inability to guarantee protein grading. He said that losses because of our inability to guarantee protein grading were negligible. When I asked how many countries had requested guaranteed protein content, he said one or two. So we see this is nothing but sheer nonsense.

The bill did not become law until April 1. We heard the minister say over and over again that we were making record grain sales. We were told we have made sales of 256 million bushels this year, compared with 181 million bushels last year without protein grading. These are the kinds of distortions and misrepresentations that are being made across the country. The minister speaks

of a huge backlog of other legislation which must be dealt with. Well, Mr. Speaker, other than Bill C-176, the agricultural products marketing bill, three agricultural bills have been introduced and have been before the House for less than one month. Each and every one of us who has constituents engaged in the business of agriculture must have an opportunity to speak on these measures and an opportunity to place our views before this House.

I do not believe any minister of the Crown should deny us the opportunity to express our views. I believe it is fair to say the minister knows very well that any measure introduced which would truly assist the western farm economy would be passed with a minimum of delay. Certainly this government's record in respect of introducing perfect legislation is far from adequate. We have only to look at Bill C-176 to see that only 42 amendments were adopted out of 129 proposed. There are some 30 more amendments to be considered. The grain act had 20 or 30 amendments incorporated, and yet the minister says this is just a senseless waste of time. Here is what the *Free Press* had to say about Bill C-176, the new Canada Grain Act:

> Despite continuing objections from some quarters, the new bill seems to be a step in the right direction, designed to help Canadian wheat secure and hold its fair share of world trade. It is a definite improvement on what was offered at the last session of Parliament in Bill C-196.

So I say much the same feeling has been generated in respect of Bill C-176. Let me assure you, Mr. Speaker, the producers do not see this as a senseless waste of time. This bill undertakes the payment of $100 million, or a reappropriation of the expenditure of funds. Certainly this is welcome. However, over a long period this measure will have very deep and underlying implications for the grains industry. As has been pointed out by previous speakers, the government will withdraw from its responsibility under the Temporary Wheat Reserves Act as well as its responsibility in respect of the coverage of losses in pool accounts. In total this amounted to $131 million in the crop year 1968-69. The federal government's share under the PFAA, which resulted in an average payment of $6 million per year since its incorporation, is also being withdrawn.

The future impact, in my opinion, will have a very detrimental effect on the industry, particularly smaller producers and those who are at the lower end of the income scale. Because the $100 million is tied to the legislation, it is also very difficult to examine this legislation objectively and in an accurate manner without any pressure. I say the opposition and farmers of this country are being blackmailed by the $100 million payment which is hanging over our heads. It is difficult to be effective and constructive in attempting to put forward amendments and recommendations to improve the operation of this legislation. Believe me, it needs many. It certainly needs major improvement, as I see it, if it is to provide any effective measures for the welfare of the western grains industry. To do this, of course, will result in a delay in the payment of the much needed $100 million transitional payment.

There are many aspects to consider in conjunction with this bill. For example, we are currently dealing with other important aspects of the grains industry. We know that the Prairie Farm Assistance Act will be withdrawn. We are enacting changes in the advance payments legislation. We have just recently been informed of a new quota policy. A number of reviews are being conducted. The Menzies committee has tabled its final report. There are many changes and redirections of thought in respect of the Canadian Wheat Board's policies.

In dealing with this legislation and a program which will affect the future of the prairie grains industry for many years one must take into consideration all these matters. Certainly, with the attitude of the thin-skinned minister which was displayed in his press release, and his threats, we can only assume he is very touchy and wants to ram through this legislation while attempting to recoup some political gain—I may say, temporarily.

If the minister is sincere and understanding about wanting to assist and help the western grain industry, the payment should have been made in time for seeding operations, at the same time as he announced his intention to withdraw the Temporary Wheat Reserves Act and the coverage in respect of the losses in the grain pool accounts. Then the bill could have been dealt with in a constructive and careful manner, taking into consideration all potential developments and implications which I believe are very serious. They must be considered very carefully because we are dealing not only with an industry and with dollars and cents, but with people, of course, engaged in the industry. Therein lies the problem which must be dealt with. It is not only an economic problem; it is a social problem as well. Instead, we are being blackmailed and coerced into accepting this bill without having an adequate and uninhibited opportunity to study it.

I reiterate that the payment should be made now, without further delay. Farmers are in desperate need of this money. The agricultural industry in western Canada is depressed to the state that it is probably in the worst condition it has been in history. We might take a look at the net income for the western provinces of Manitoba, Saskatchewan and Alberta. According to figures taken from "Outlook '71", we find that in 1970 Alberta had a net income of $86 million, Saskatchewan had a net income of $56 million and Manitoba had a net income of $32 million, for a total net income in western Canadian agriculture of $174 million.

• (9:00 p.m.)

This is less than $1,000 net income per farmer, Mr. Speaker. While this includes receipts derived from the sale of other products, we have only to subtract the sale of those items to know that the income derived from the sale of grain is considerably less than that. If this is the kind of income the bill is intended to stabilize, I as a member of this House certainly do not want any part of it. When you study these figures it is little wonder that the farmers are having such difficulty meeting their commitments, their bank payments, their Farm Credit Corpo-

ration loan payments, their farm improvement loan payments and their cash advance return payments.

Some time ago during an adjournment debate I urged the minister to consider proposing a moratorium on the repayment of farm cash advances because of the difficulties being experienced in western Canada. Such a measure would have alleviated much of the hardship and I think it could have been easily implemented. However, the minister saw fit not to do that; he merely suggested the stabilization bill would solve this problem and urged speedy passage when it was introduced.

Western producers who are confronted with these difficult times are being subjected to harassment and intimidation by debt collectors. Threats are being made to throw them off the land. Is it any wonder that there is such anxiety, frustration and apprehension being suffered by them—not promoted by the opposition, as the minister would lead one to believe, but by the policies of the government? Is it any wonder that the rural population is constantly declining and that rural communities are dying? The population of rural Canada is declining at the rate of 1,000 persons per month, as was pointed out by the National Farm Union's director, Mr. Hubert Earl.

Is it any wonder that the Farm Credit Corporation has noted such a significant increase in the number of foreclosures that have taken place in western Canada, with many more pending? Does it not mean anything to note that Farm Credit Corporation arrears outstanding in 1971 doubled over the previous year, from 8.9 per cent to 17.9 per cent, with the situation particularly bad in western Canada? For example, Mr. Speaker, total arrears outstanding in Saskatchewan in 1969 represented 6.6 per cent; in 1970 the amount outstanding had doubled to 12.2 per cent; and by 1971 the figure was triple the 1969 figure, having risen to 21 per cent. In Alberta, in 1969, the figure was 14.9 per cent; in 1970 it was 21.7 per cent, and in 1971 it was 26.3 per cent.

This also had a marked effect on the business community. Many small businesses have closed their doors. Communities are stagnating and, of course, there have been many bankruptcies. In my own province of Alberta, in 1968 there were 75 business failures with liabilities of $7.3 million. In 1969 there were 87 failures with liabilities of $4.5 million, indicating that many of these corporations and companies were small in size because of the smaller ratio of liability, and in 1970 the number of failures had increased to 135 with $12 million outstanding in liabilities. Saskatchewan and Manitoba recorded similar experiences.

While this situation continues to develop, along comes the task force report which recommends that the government withdraw its support from agriculture and that it should not institute any ad hoc programs to meet unforseen conditions and circumstances affecting the industry. But in the meantime, Mr. Speaker, other countries are taking a different approach. For example, look at the United States. I quote from the Manitoba *Co-operator* of April 29, 1971, under the heading, "Recharging Rural America":

> Recognizing the contributions agriculture makes . . . in terms of our high standard of living, and agriculture's importance to the balance of payments, he said, "For the first time agriculture and rural America will be given due priority, which it has not had in the past."
>
> The President explained that it is essential for rural America to get fair and equal treatment; essential to develop a sound economy for the family farm, adequately financed. He said we must develop opportunities for education and employment or we will have the continuing problem of rural erosion (migration) which adds to the problems of the cities.
>
> Mr. Nixon admitted all this is a big order and there is no simple answer. Progress can be made, he said, through rural development and revenue sharing. He called this a process, not a program. It calls for additional funds totalling $1,100,000,000 (an increase of 25 per cent) to be spent in rural America for education, health, transportation, environmental improvements, housing, or for whatever local authorities may choose. Money would be shared with the states based on need. Need would be determined by such things as loss of rural population and rural per capita income.

These are the kinds of programs at which we should be looking. Instead we have the program initiated by the task force report, which was certainly endorsed by the government. All these pieces of legislation had their origin in the task force report. Apparently we are saying that Canadian agriculture must fend for itself. Not only must it shoulder the vagaries of climate and the elements, but also the vagaries of the international marketplace and even of the federal government.

We have seen the government grant assistance to other industries—the automobile industry, the shoe industry, the textile industry. We have watched more money being poured into these industries under the guise of rationalization programs. But what are we seeing for agriculture? There is a constant withdrawal by the federal government. This is evident in the Department of Agriculture's estimates for the current year, which show a decrease in expenditure of $30 million. It is about the only government department to show that sort of reduction. One of my hon. friends says the Prime Minister (Mr. Trudeau) must get money for his staff somewhere, and perhaps this is the easiest place from which it can be obtained. The whole theme of the task force report now constitutes government policy. It emphasizes efficiency at any price without regard to the social and economic disasters entailed for rural communities. This cannot continue forever. It must stop, or rural communities will sink into oblivion.

What can be done? Certainly a two-price system, long advocated by many knowledgeable agricultural personnel and endorsed by the majority of farm organizations, could be incorporated with relative ease. As my hon. friend suggests, perhaps even a change of ministers would help. But with respect to a two-price system I must say I share the minister's dedication in trying to convince his cabinet colleagues that a two-price system is necessary. However, it seems that the minister's colleague, the Minister of Consumer and Corporate Affairs (Mr. Basford), is the big bottleneck. That minister is concerned only about consumers. If the Minister of Consumer and Corporate

Affairs is so concerned about the consumer, I suggest that he inquire into the price of pork products in the stores, because it is much higher than the price received by the producer.

• (9:10 p.m.)

I have here a document prepared by the National Farmers Union which indicates that a farmer receives an average of 19 cents a pound, or about $29.07 for a hog which is ready for market. When it is sold across the counter we find that it brings something like $107.30 in downtown Ottawa. In other words, a farmer would have to sell four hogs at market in order to realize enough money to buy one back across the counter. If the Minister of Consumer and Corporate Affairs is concerned about the reaction of the consumer if a two-price system is instituted, perhaps the minister in charge of the Wheat Board would pose that question to him. Certainly a two-price system would not solve all the problems, but it would be a step in the right direction. I feel the producer should have some measure of guarantee based on costs of production, but it should be a simple formula and not a bureaucratic one which would entail inspections and regulations. We have already seen too much of them.

The transitional payment is a relatively simple matter but the administration and handling of the stabilization program will be expensive, complicated and in many cases confusing. We have had experience with this in the Lift program and then ew quota programs now being announced, which are difficult to understand and somewhat confusing. The measures being introduced, this one included, tend to create a false note of optimism in my opinion. The government will herald this as another great measure, but we have heard this all before. For instance, "Grow all the wheat you can and we will sell it". And last year all we heard was, "Let's diversify". Then, of course, the Prime Minister came along and said, "You can sell your own wheat".

A great deal could be achieved by the adoption of a two-price system or a guaranteed price geared to production costs on, say, the first 2,000 bushels of wheat sold by every farmer. The unit quota should be reinstated as well to assist the smaller operators and preserve their rightful place in the community. The emphasis on the Wheat Board's policy has changed from that of equity to that of efficiency. This will only tend to speed up what I call the eradication process.

Another point which must be considered is the exorbitant interest costs being incurred by the Canadian Wheat Board. Something should be done to alleviate this problem. Probably the best method would be for the government to provide sufficient funds to cover grain purchases. If we look at page 59 of the latest annual report of the Wheat Board we find that approximately $4 million have been spent in interest and this is the responsibility of the producer. Then if we look at the 1968-69 annual report we find that approximately $11 million became the responsibility of the producer in respect of interest costs which were incurred in the provision of funds required to purchase grain. At the present time the Canadian Wheat Board has a liability of close to half a billion dollars to the banks, while its liability to its respective buying agencies is in excess of this, for a total liability in excess of $1 billion.

Under clause 15 of this bill the producer will again be subjected to further interest costs covering deficits in the pool, on which interest will be charged. So, Mr. Speaker, for the present the payment of $100 million will be welcomed, but looking at the long-term effects this bill is nothing more than a vehicle to stabilize poverty and to exacerbate the small farm massacre. It will eradicate the rural community and the rural life style to which we have grown accustomed. The 2 per cent payment into the stabilization fund will further aggravate the low net income position of farmers and will affect those who are at the seriously low end of the income scale. As mentioned by other speakers, there is no formula to take into consideration the effects of inflation.

The total withdrawal of storage obligations by the government seems to me to contradict the concept that Canada's wheat producing abilities and its ability to provide food for a hungry world are not only a national asset but an international asset. We see now that the government has pretty well left the grain producing community on its own, and I suggest that from here on it will never be considered a national asset. Canada can remain the great trading nation she has become through her grain industry if we adopt effective measures to aggressively pursue sales. With this in mind, I believe it is reasonable to suggest that it should be the duty of the government at all times to cover the costs of carrying at least one year's supply of wheat for export. I believe the Canadian Federation of Agriculture suggested something along those lines and mentioned sharing the cost on about 400 million bushels. I submit, however, that the federal government should cover the total cost.

With the passage of this legislation, coupled with the recommendations of the Menzies report, it is evident that the responsibility for storage of wheat and other grains will be left solely to the producers. This will mean new facilities and increased costs, all at the expense of the producer. With the new quota system, the concept of terminal non-cumulative quotas, the small operator will be under great pressure. In addition, with the commercial system reduced by 100 million to 150 million bushels, the grain elevator companies will lose revenue because of the reduction in storage income. I believe this, too, will result in an increased rationalization process of the elevator system, to the detriment of the producer. Coupled with that we have—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member and I do so only to advise him that his time has expired.

An hon. Member: Question.

Some hon. Members: Carry on.

Mr. Deputy Speaker: The hon. member may continue if there is unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Mr. Mazankowski: Thank you, Mr. Speaker. I also wish to thank hon. members who have been kind enough to permit me to continue. It will take only a few minutes to finish my remarks. I merely point out that a reduction of grain in the commercial system and the terminal system only aggravates the situation. It places the responsibility on the farmers to provide more storage facilities, and affects the producer in this respect: as long as grain is in the system, it will be paid for and the cash will be distributed. Nevertheless, the reduction of 150 million bushels or 200 million bushels means that that wheat will not be purchased, and this relates to a corresponding amount of cash and that is lost to the prairie economy.

• (9:20 p.m.)

I submit that the long-awaited report of the grains group which has been studying handling and transportation problems of the grain industry should be made known before this legislation receives passage. This study is long overdue and I believe that the benefits of its recommendations should be considered. I presume that the report will attempt to suggest ways of streamlining the handling system and the shipping system, and no one can argue about that. There is some suggestion that perhaps a new inland terminal system ought to be developed. I only remind you, Mr. Speaker, that if this is to be developed, the producers will be paying the shot.

I wish to make another point. Since the industry is considered as a whole in the three prairie provinces, it seems to me it is conceivable that in one province there could be a total crop failure in any one year while in the other two provinces there might be sufficient receipts to exceed the five-year average. Thus, the farmers in the province that suffered crop failure will be deprived of any assistance. Withdrawal of PFAA will literally force those producers to buy crop insurance. That, again, will mean added costs which, as I must point out, producers can ill-afford at this time. Also, the crop insurance program is not available in all areas and this fact must also be considered.

In conclusion, I say that the concept of the grain stabilization program may be all right in theory; however, the level of stability has a great deal of bearing on this question. This whole matter must be considered in terms of the current social and economic realities of our society. Those realities have not been considered in this bill. Second, there is a danger of those who are responsible for marketing relying too much on the fact that a half-conceived insurance policy will cushion any lost sales, and thus those engaged in the marketing of these commodities may not be as aggressive as they ought to be.

Conceivably, those in our sales mechanism might adopt a laissez-faire attitude which would have a negative rather than an aggressive effect on their marketing approach. This matter ought to be considered. Without doubt there has been a great degree of complacency in this area in past years, something that producers can ill-afford at this time. It seems to me that when a country produces 5 per cent of the world supply of a commodity and carries in excess of 50 per cent of the world surplus, something is very wrong. The bill will do nothing to overcome this problem. The bill, Mr. Speaker, is a buy-off. Although farmers urgently need the $100 million, we would be remiss in our duty if we failed to predict the consequences of this measure, consequences going beyond the payment of the $100 million. In my opinion, passage of this bill will hasten a reduction in the number of small farms. Unless major changes are incorporated in the bill, I shall have serious reservations about supporting it.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to take part in this debate because about 5,500 square miles of my constituency is farm country, most of it being grain farm country. I am also rising because we are in the middle of another national tragedy, one that is being looked at mostly by the people of the three prairie provinces and not by many people in the rest of Canada. I say that in light of the kind of legislation that the Minister without Portfolio (Mr. Lang) in charge of the Wheat Board and the Minister of Agriculture (Mr.Olson have recently brought down to cope with problems besetting agriculture generally and besetting prairie farmers particularly with respect to grain.

I say that this is a national tragedy because, since this government took office, since the Prime Minister (Mr. Trudeau) assumed office, since the hon. member for Saskatoon-Humboldt joined the cabinet, and since the time his predecessors who were just as incompetent as he is, took charge of the Wheat Board and of the grains business of the three prairie provinces, net farm income in Canada—you must see this figure to believe it—has dropped by $516 million.

Only the organizational genius of this kind of government could arrange that, Mr. Speaker. Canada grows a lot of grain. We raise great quantities of food products and are possessed of resources which few countries in the world possesses. Only the organizational genius of this kind of government could arrange for people involved in primary production, fishermen, grain farmers and other primary producers, to lose money.

An hon. Member: We import agricultural produce.

Mr. Benjamin: The minister in charge of the Wheat Board has presented this legislation to the House. He has threatened us with it. Let me say at once that I fully accept his sincerity. I believed him when he said, as reported at page 5603 of *Hansard* for May 7:

> This leads me to say how much this emphasizes this government's real belief in the desirability of maintaining farming as a viable and effective way of life.

He went on to say:

> I want to state, as a fundamental matter of our philosophy—

Meaning, the philosophy of the Liberal government.

> —that we do not in any way have the view that anyone should be made to move off a farm if he chooses to live on it.

I accept the minister's sincerity in this regard. I believe him when he says that the viability of family farms in Canada is important to the entire national interest. We take him at his word when he says that. Yet, Mr. Speaker, he continues to perpetuate policies that will speed up, not slow down, those practices which have been adopted with respect to agriculture in Canada since 1945. We have lost over 300,000 family farm units in this country. It is not surprising, perhaps, that most if not all of our quarter-section farms have gone and that most half-section farms have disappeared from the Prairies. But when farmers farming 1½ sections, 2 sections or 2½ sections have lost money, as they have in my riding, we know that something must be wrong. When you find that net farm income has fallen by $516 million since June, 1968, or approximately since this government took office, you know that something must be fundamentally wrong.

We can find $120 million for uranium. I am not against that sort of payment. It has saved the life of several communities in Canada and the payment has enabled us to stockpile uranium. But what does the minister propose? He proposes that we abandon the Temporary Wheat Reserves Act. He suggests that the government should not pay its share of the cost of keeping in this country an inventory of wheat and other grains. Mr. Speaker, he can threaten us with his press release. Yesterday it was being handed out, I gather, while he was making his speech in the House. He can threaten us that way if he likes. If he likes, he can act like the typical ward-heeler of the Prairies who went out with the dinosaurs in the 1920s or 1930s. Oh, yes, he can threaten us if he likes. While his press release was appearing in the nation's newspapers or was being carried on the news wires, the minister was making his speech on this bill and telling us we were filibustering.

An hon. Member: Shame.

Mr. Benjamin: The way the minister was talking, it had to sound like a filibuster in the sense that this government is determined to get out of supporting agriculture. The task force report on agriculture outlined that policy for the government. It is not unexpected that the government would follow the recommendations of the task force.

• (9:30 p.m.)

The minister says we are filibustering for no apparent reason. I wish he would return to his ivory tower law faculty of the University of Saskatoon. If he would return now, he would do both the law faculty in Saskatoon and all the farmers in Canada a favour. When the minister says we are filibustering for no apparent reason, and net farm income has dropped by $516 million since he joined the cabinet, he is talking through his hat. The minister suggests we are working against the interest of grain growers in the three prairie provinces and trying to make political hay. If fighting a fight that has been going on here since the end of World War II for grain growers in western Canada is making political hay, I plead guilty. I hope the minister will visit my constituency and butt into grain instead of post offices. I would appreciate it. I will never write a letter to anyone in his constituency urging that a post office be closed. I would like the minister to visit my constituency and talk about grain.

I would like the minister to explain to the farmers in my constituency, let alone in the three prairie provinces, where this $100 million will come from. I have some opinions. I might be wrong, and I am sure the minister will correct me when he closes the debate, but when the minister abolishes the Temporary Wheat Reserves Act, albeit we can store uranium for five years at a cost of $120 million, the government will save $40 million a year. That is almost half of $100 million. When you add to that the amount the government will not have to pay out for the grain pools at the start of the next crop year in the form of losses, it can be seen that the government will more than recover the $100 million.

As another member pointed out during the debate on the pay increase for Members of Parliament, there were 11 people sitting in the press gallery. When talking about wheat, there are only a couple up there. I hope they are farmers. In any event, for the benefit of those Canadians who do not live in the three prairie provinces I hope they will point that this program will not cost the government or our taxpayers anything. This $100 million is not a gift from the taxpayers.

I now wish to deal with the transitional payment. It is called a transitional payment because the minister has not been able to persuade his colleagues or to set up the machinery to establish the stabilization fund for the current crop year. That is the main reason it is called transitional. The minister is a very nice man. He is very smart; but when it comes to wheat he is incompetent. We are going to say so all over western Canada. The minister can try political blackmail if he wishes. He can object to a filibuster on this bill while he is still making his speech, but that is not going to stop us.

At the beginning of my speech I spoke of a national tragedy and a drop in net farm income of $516 million. The minister is going to pay out $100 million. This means he will still owe us $416 million. If the minister wants to add that into his transitional payments, this bill will go through so fast he will not have time to speak to close the debate. With regard to the stabilization fund, if one were to assume $1 billion worth of sales of the six grains at 4 per cent that the government is going to contribute to the stabilization fund, that is barely equal to what the government will save by cancelling the Temporary Wheat Reserves Act. Each year, starting with the next crop year, the government will pay no more into a stabilization fund than it has done under the Temporary Wheat Reserves Act. If you add to that the deficit, which I understand is $51 million on the 1968-69 pool account, there is the whole $100 million.

It has been said several times in this debate, and it will be said several more times, that all the minister is doing is stabilizing a grains income that for the past several years has been below what the grain growers needed to

operate economic farm units of one, two or three sections. In the term "prairie grain stabilization fund" the very words mean something. They sound as though this legislation could be a real step. However, when one looks at the fine print he realizes what could and should be in the meaning of a grains stabilization fund. What the minister proposes perverts any kind of meaning that should be there. Political perversion is not an unknown pastime of various Liberal governments.

If the minister's grain stabilization took account of farm costs, farm net income and an inflationary rise in either the cost of living or farm costs—it does not do any one of these three things—it could be legitimately called a grain stabilization fund. In essence, all it does is even out an inadequate income. The minister can bandy about the phrases of his agricultural experts and the ones he learned from the law class at university, but he cannot get away from the fact that his stabilization fund stabilizes what has been there for the past five years and has already proven to be inadequate. The minister said he was as anxious as anyone in this House and in this country to make family farms, particularly family farms producing grain, viable, useful and worth while. I accept that; I believe he is sincere, but he introduces measures which will not do anything to improve that income.

The 4 per cent which it will cost the government of Canada will already have been saved. That is not an increase in farm income. The minister will not get away with threatening me, but he may be able to hoodwink or kid some people east of Thunder Bay that the opposition is holding up these acreage payments. These acreage payments will go out, Mr. Speaker. Whether they go out in June, July, September, October or November, they will go out. As soon as they have been sent out, there will be a by-election in Assiniboia and a provincial election in Saskatchewan. In fact, it is very possible that the cheques have already been made out with the names, addresses, and so on, on them but not the amount. We know the minister can do that. He should not kid us. The minister can try to hoodwink the people of eastern Ontario that the opposition is holding up $100 million in acreage payments, but it is not going to work. We are going to fight to get something better in this legislation.

• (9:40 p.m.)

We are now at the crunch. I will say this to the minister and the government. For the first time in a number of years, probably since the days of Jimmy Gardiner, the government is coming out with something which is substantially or fundamentally different from what it has been doing. It is fundamentally different in its mechanics but not fundamentally different in what it thinks should be the kind of society and the kind of economy we should have. I believe the minister when he says he is in favour of maintaining family farms. But he brings in legislation which perpetuates what has been going on for the last 25 years: it cannot help but do so, because even if the minister is correct when he says the stabilization fund will make it easier for small and average farms in terms of equalizing the farmers' income, he has forgotten to say that this income is still inadequate to enable them to survive. Whether the income is stabilized over a period or whether you get it all at once, it is still inadequate.

One has only to consider how many farmers have left the land. In the ten years from 1955 to 1966 during which we were blessed with both Liberal and Tory governments, we lost 38,000 farm units in the three Prairie provinces. We had interim payments and final payments in those years. We had the Temporary Wheat Reserves Act payments, and all of this was based on farm prices none of which were designed to meet farm costs or to give farmers a net return on which they could live decently.

The bill before us continues the same way of thinking. As I said, the minister can threaten if he likes. In government terms, the legislation is trying something new. It reminds me when I was a child in the dirty thirties. Every time the wind blew, the gophers were 20 feet in the air digging. But at least when Jimmy Gardiner came around, he knew about horses and he knew about people. The horses had gone but he still knew about people. Now the horses are gone and these Liberals have now forgotten about people.

They have policies for agriculture, they have policies convenient for the railway industry, they have policies that are convenient for the grain trade, very nice for the Winnipeg grain exchange; they have policies which continue to handcuff the Canadian Wheat Board. But they still do not have policies for farmers. Just policies for agriculture. When the minister interrupted one of the members this afternoon while he was talking about the Prairie Farm Assistance Act, he asked him: Have you never heard about crop insurance?

These Liberals are the birds who in the fifties decried crop insurance and similar legislation when it was brought in by the government of the day in Saskatchewan. These are the birds who said the premiums would drive farmers out of business. These are the birds who have formed the national government of Canada before and since and who refuse to pick up a larger share of the tab in connection with crop insurance. When one talks to them about all-risk crop insurance, they don't want to talk to you.

The minister conveniently forgets that in the main grain growing areas of southern Saskatchewan and south eastern Alberta it is almost impossible to buy crop insurance. Let him just try it. Unless he can tell the House that the federal government intends to triple, quadruple or multiply by five times what it is paying into a crop insurance program,—an all-risk crop insurance program—there is no way any farmer will be able to pay those premiums. The premiums they would pay would be a great deal more than they are to receive in one year under the minister's so-called stabilization fund.

Mr. Lang: Would the hon. member permit a question? Would he not agree that those areas in which PFAA has been so important might not be exactly the ones to benefit from the incentive program which would induce

farmers to put the land into forage and not leave it in a crop which fails all the time?

Mr. Benjamin: What it cost grain growers under PFAA with a 1 per cent deduction does not come anywhere near what it would cost per acre under crop insurance in the grain growing areas, particularly in the gumbo country of southern Saskatchewan. The minister knows this. He should not try to kid us that crop insurance will replace PFAA until he has crop insurance legislation to offer. The minister has not yet settled anything with the three Prairie provinces, or with any of the provinces for that matter, with regard to a crop insurance program. If he had, I am sure he would be rushing in here to tell us about it. In fact, he would be rushing into the Commonwealth room to do so. Until the federal government is prepared to do a hell of a lot more about the cost of an all-risk crop insurance program, the cancellation of PFAA will in fact be a loss to grain growers.

The minister professes to be in favour of maintaining people on family farms. Yet the most efficient, the most energetic farmer you can imagine, the man with the most initiative, the man who has diversified, who has specialized, who has increased his acreage, who took the minister's advice in connection with operation Lift, has his back to the wall. I am not talking about some friendly farmer or so-called farmer who is owned by the hon. member for Fraser Valley East (Mr. Pringle). I am not talking about the kind of farmer who is owned lock, stock and barrel by some friendly packing plant. I am not talking about the fellow who farms for a hobby. I am talking about grain growers whose families have farmed for two or three generations, who have achieved an economic size. The price they receive per bushel does not meet what it cost them to pay for their land and equipment and earn a living.

The minister proposes a stabilization fund which still is inadequate. He perpetuates what every government prior to this one has done. He says: Canadian grain growers will sell their grain in competition with the treasuries of the United States, France, Argentina, Australia and other countries. If we can get $1.50 a bushel with no interim or final payment, this government says "fair ball". But, Mr. Speaker, in 1949 farmers got $1.75. Name me another industry which has suffered a decline of this proportion in the price of the product it has to sell. If the minister is the champion of rural Canada, he should be placing his constituency and his job on the line right now.

If he really means business he will get the support of every Prairie member in this House. If he really means business, he will say: From now on, the whole of Canada will do something about carrying a share of production costs. We carry a share of costs when uranium, textiles or some other product is concerned. But when it comes to grain, the Prime Minister and the Minister of Finance (Mr. Benson) say we cannot have any new money. And the minister will not get any new money. None of the money which will go into the stabilization fund or into so-called transitional payments will be new money. Over the next three years, and I hope I am wrong in this prediction, because if I am maybe the farmers will gain a few million dollars—

Mr. Lang: You are wrong.

Mr. Benjamin: I hope so, but I shall need to hear a lot more from the minister before I will believe it. So will more than 100,000 permit holders. They will have to hear a lot more from the minister before they will believe it.

Mr. Speaker, this represents a transition for the government. It involves getting out of what should rightfully be a responsibility of the nation as a whole. It implies placing a greater share of the burden on the backs of the grain growers themselves. One can make this plea for a lot of other sections of our society; we just happen to have this one in front of us at the moment.

• (9:50 p.m.)

If the minister meant what he said on May 7, he will persuade the Prime Minister, his cabinet colleagues and the member of his caucus that there is not another industry of any shape or form in Canada that has had a drop in net income such as the grain industry and farmers have suffered. There is not another industry in Canada that has lost over half its employees—at least, not an industry that counts for anything in the economy.

I do not want to be sentimental. If the quarter-section farmer has gone and the little hamlet of 50 people has gone, it's too late. But when thousands of farmers leave and many Prairie communities become ghost towns—the minister has some in his riding with vacant stores, vacant houses, towns where once there were five farm machinery dealers and now only one or two, with no station agents, and so on—that is a different matter. I do not know how often the minister goes around these towns, but I would be glad to show him some in his own riding.

If the minister meant what he said, he will persuade his colleagues to accept the proposition that the nation as a whole is responsible for the preservation of primary production. It is wrong to repeal the Temporary Wheat Reserves Act. Not that the Temporary Wheat Reserves Act in itself is good, but I agree with the minister that we are doing the thing backwards. Surely the minister can say to his colleagues and the nation, and have the support of agriculture if not of his colleagues, that we should establish a national granary concept where the government and people of Canada maintain—pick your figure, 150 million, 200 million bushels of grain in store at terminal elevators, and over and above that the farmers pay the storage, which is just the reverse of what the government has been doing.

What happens in our export markets is something of concern to the nation as a whole. If we are worried about the textile workers or automobile workers, is it not equally valid to be worried about grain production and our export markets? If the United States treasury or the treasuries of countries like Australia, France and Argentina ruin price agreements—I do not fault the Minister of Agriculture or the minister in charge of the Wheat Board

on this score, because we are in a big league—it is time to call upon this Parliament and the nation as a whole to say to these other countries. If you boys want to play that kind of game, we will play along with you.

We should have continued to pay prices that bore some relation to the cost of production, with the nation as a whole picking up the losses. But no. This minister, who says he is worried about family farms and that he will not take a back seat to anyone in his concern to preserve viable family units, brings in a stabilization plan that pays no attention to farm costs or to farm net incomes, which makes no provision for any increase in the cost of living. If we can agree to escalation provisions for MPs and old age pensioners, what about similar provisions in this stabilization plan?

The minister can continue to threaten us if he likes. He can accuse us of filibustering if he likes. But this is bad legislation because it betrays the grain growers and family farmers. It does nothing to preserve the family farm unit in rural Canada. It is merely continuing what has been happening to us for 25 years. I wish the minister would explain why there are only two rural Liberal members left from the three prairie provinces. Surely that state of affairs should tell him something. If he wants to get rid of idiots like me, all he has to do is to bring in legislation that is really meaningful to the grain industry of western Canada, legislation that will really preserve family farms in the three Prairie provinces.

These birds opposite have been running around promising a two-price system. They even promised the Gardiner dam for 35 years and then the Tories built it, though they named it after a Liberal. Then the Liberals named a lake after a Tory. I do not know who is friendly to whom, but they are both the same breed of cat. We still keep losing thousands of farmers, with dozens of communities dying on their feet.

If the minister wants to get rid of NDP members from Saskatchewan and Manitoba, and Tory members from Saskatchewan and Alberta, there is an easy way to do so. If I do not make it back here it will be because the minister has really done something to improve farm incomes, to keep people on farms and to preserve viable communities in the Prairie provinces. If that becomes the case, then I do not need to be here. If the minister beats me in that way, fair ball.

However, if the minister thinks he can horse around and threaten us, telling the press that we are filibustering, then he has another think coming. If he thinks that he will get any semblance of this legislation through by talking in that way, then he has two thinks coming. It is about time this minister started listening to farmers and western Members of Parliament, to guys who are growing the grain, instead of experts on task forces and from the Winnipeg grain exchange.

I for one do not intend to vote for this legislation, not unless it emerges from the committee much improved. I will take my chances. The minister is welcome to come into my riding and to tell every farmer that I voted against this $100 million. I shall be glad to take him on exactly on those terms. He can even name the towns we go to in my riding, though I should like to visit some towns in his riding too. This $100 million is coming out anyway. I do not want to call it a buy-off. It is conscience money. Farm incomes have gone down by $516 million. The government is putting up $100 million, so it still owes grain growers $416 million.

As I say, we are not going to be threatened or blackmailed. I hope the minister will prove, as he said in his speech, that he has as much or even more concern than any other member of this House about the number of people in rural Canada, and that he will bring in improvements to the bill that will have all of us cheering for him in front of the city hall at high noon. If he does that, then I should be glad to join the cheering.

• (10:00 p.m.)

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

A motion to adjourn the house under standing order 40 deemed to have been moved.

INDUSTRY—ASSISTANCE PROGRAMS FOR SHOE MANUFACTURERS

Mr. Roland Godin (Portneuf): Mr. Chairman, I tried to call once again the attention of the Minister of Industry, Trade and Commerce (Mr. Pepin) to the conditions prevailing in the footwear industry in Canada, because workers and leaders of that industry had once more shown their "despair" publicly. As a matter of fact, in the Monday, May 3, 1971, edition of *La Presse* of Montreal, Mr. René-François Desamore wrote the following:

> At a meeting held in Montreal on Saturday, union representatives of the workers of the footwear industry in Quebec City, Montreal, Beauce county and the Mauricie cried out in despair because their industry is dying.

At least 34 footwear manufactures have closed down in Quebec since 1961, thus putting hundreds of people out of work. Moreover, the manufactures still running are only operating at half capacity and work only one week out of two.

Mr. Speaker, we find the minister's attitude quite strange under the circumstances. Last year, in several questions I asked in the House, I indicated to the hon. minister certain figures supplied by the Dominion Bureau of Statistics to the shoe manufacturers who used them to prepare their brief. As recorded on page 8338 of *Hansard* of June 19, 1970, the hon. minister stated, and I quote:

> Mr. Speaker, I am at the present time reading the brief submitted by the Shoe Manufacturers Association of Canada. This document contains certain questionable statistics—

In view of the current situation, the minister remains completely unconcerned despite our rising unemployment and above all despite the many difficulties met by the shoe manufacturers and by the thousands of workers

who have been and will be forced to a premature retirement.

Is this due to the Canadian shoe industry? Absolutely not, since the Canadian worker's productivity increased by 67 per cent between 1948 and 1968, which means that it is 35 per cent higher than that of the Economic European Community countries.

Nevertheless, the union representatives, meeting in Montreal under the chairmanship of Mr. Eugène Rancourt, stated, and I quote:

> Imports are the major problem in the footwear industry. In 1956, Canada imported only seven million pairs of shoes, that is 11.7 per cent of its national production, but, in 1969, 46 million pairs were imported, that is 79.4 per cent of the national production.

It is estimated also that footwear imports in 1969 were equivalent to a loss of at least 15,000 jobs in Canada. Canada is the country which is most open to shoe imports from Asian and state-controlled countries. In general, Canada's imports from those countries are almost as high as those of all the Common Market countries together, although its population is only one tenth of that of the European Community. All that meant that in 1968 there was an excess of footwear imports over exports of the order of 46 million.

It is obvious that nothing has yet been done in that respect and, which is even more serious, the skilled men in that field have no hope whatever of being hired back, since Canadian manufacturers are getting ready to avail themselves even more of easy import conditions.

A letter which the Slater Shoe Company (Canada) Limited sent to its customers on the closing of its Montreal plant is another proof of this alarming situation.

Let me now quote that letter dated April 1, addressed to the company's customers.

> During the past few years, Slater has secured the co-operation of the best master shoemakers from Europe in order to give you a product of superior quality.
>
> Today, after years of discussions, an agreement has finally been entered into in connection with quality control, data checking, choice of models, and so on.
>
> Our national advertising campaign throughout Canada will be stepped up and we hope that you will join that program by taking advantage of our co-operative system.

On April 7, the Slater Shoe Company (Canada) Limited sent to its customers another letter which reads as follows:

> As you know, the famous Slater shoes, known for their quality for 102 years, are now made in Spain, Italy, France and Great Britain.
>
> Everything is going according to plan, and you will soon be able to admire a magnificent collection of Slater shoes both in current and high fashion models.
>
> Our new models will soon be on display and our representatives, whom you know so well, will certainly be proud to show them to you.

The letter was signed by Mr. Phillippe Ayers, vice-president of Slater Shoe Company (Canada) Limited.

Mr. Speaker, because of very strong competition from some countries where labour costs less, the Canadian government is allowing plants to close their doors.

[Mr. Godin.]

The same thing is happening with regard to household appliances. This includes radio and television sets that are imported at the expense of Canadian manufacturers and workers.

We also import textile products, claiming that in so doing we save money because it would cost too much to produce them.

On the same principle, the government does not exercise any control over shoe imports from other countries. It is not profitable to make them, so we buy them.

Mr. Speaker, if this keeps up, how long will the Canadian economy hold out? If we are not given protection to manufacture here what we can manufacture, according to the needs of Canadian consumers, how long can we hope to remain idle, while buying elsewhere?

In peacetime, trade should be limited to international transactions. Our production is constantly chalenged by foreign competition, again, because of the allegedly good wages paid in these countries. But when war is declared, all this is forgotten.

I remember the 1939-45 war, when England became our best customer. I remember also that our manpower was not considered too costly to be sent to fight in these countries, and even to destroy them.

In war time, cost is no object. To keep troops in Germany, cost is no object. To keep troops fighting in Korea, Greece or Turkey, the wages paid our soldiers are no problem.

So, I wonder whether the minister can assure us that he will take measures, and will soon let us know what he intends to do so that Canadian manufacturers are considered essential to the operation of our economy.

Canadian industry, the shoe trade in particular, deserves protection and I would like to know what the government intends to do in that regard.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I want to assure the hon. member for Portneuf that I am well aware of the difficulties of the footwear industry.

Increased imports have hurt some sectors of the Canadian shoe industry. However it has not been clearly specified what field of production was affected and how serious was the damage. Special statistical analyses should show where pressure is strongest. Furthermore, the department, in co-operation with the industry, has undertaken a special study in order to ascertain whether low cost imports have really hurt the Canadian industry.

If so, the interdepartmental low price import policy committee will make recommendations to the minister in order to cope with the situation.

The government is ready to pay special attention to cases where competition due to imports is unfair. The Minister of National Revenue recently completed an inquiry into possible dumping in the case of shipments of shoes from France, Spain and Italy. If it is true that there was some dumping, the matter will be brought to the attention of the Anti-dumping tribunal, which will be asked to rule on the matter.

In December last, the Minister of Industry, Trade and Commerce announced new steps proposed under the

General Adjustment Assistance Program, that is the GAAP Program, about footwear industries needing assistance to get reorganized in order to improve their competitive position on domestic or world markets.

These industries may receive incentives up to 50 per cent of the cost of consulting services required for the development of viable re-organization projects—

Proceedings on Adjournment Motion

[*English*]

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary, but his time has expired.

Motion agreed to and the House adjourned at 10.10 p.m.

HOUSE OF COMMONS

Tuesday, May 11, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

NATIONAL SECURITY

EXPIRY OF PUBLIC ORDER (TEMPORARY MEASURES) ACT—TABLING OF LETTER FROM PRIME MINISTER TO PREMIER OF QUEBEC

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, under Standing Order 41 (2) I should like to table copies of a letter from myself to the Premier of Quebec concerning the expiry of the Public Order (Temporary Measures) Act. The letter is dated May 7 and follows up the correspondence from the premier which I was asked to table a week or two ago.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

DEBATE ON FARM PRODUCTS MARKETING BILL —REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Roch La Salle (Joliette): Mr. Speaker, under Standing Order 43, I raise an urgent question to which, in my view, the House must give consideration.

Considering that the situation of a large number of Canadian farmers is deteriorating day by day and that Bill C-176 can bring some relief or even correct the situation; and considering that it is the responsibility of Parliament to act quickly with regard to this serious problem, I move, seconded by the hon. member for Frontenac (Mr. Corriveau):

That the House should instruct the Committee on Procedure and Organization to study the possibility of establishing a reasonable though limited delay for the adoption on third reading of Bill C-176, and to report to the House within 48 hours.

Mr. Speaker: The House has heard the motion moved by the hon. member for Joliette. This motion, under Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

[*English*]

Is there unanimous consent for the motion proposed by the hon. member for Joliette?

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—INCREASE IN FUNDS—STATEMENT BY MINISTER

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, on April 22 I spoke to this House of the enthusiasm, imagination and creativity of the younger generation as so abundantly demonstrated in the quality and quantity of the proposals submitted under the Opportunities for Youth program.

Last week, as agreed, I began to announce both to the students and the public at large what projects had been approved. To date, some 600 project co-ordinators have been notified that their projects will be financed by the government of Canada. Similar announcements are being made at the rate of some one hundred a day. As I already mentioned to the House, we hope to have this phase of the program completed around mid-May. To date, we have received more than 13,000 projects.

On April 22, I emphasized that the government would respond to the enthusiasm of youth and I am pleased to announce today that the government has decided to allocate $10 million more to the Opportunities for Youth program. The government is aware that the amount does not fully meet the young people's requests but we are convinced that the vast majority of the many excellent proposals may now be approved. Furthermore, we count on being able to inform the young people whose projects may now be approved through this additional amount by May 25 at the latest. The Opportunities for Youth program, it will be remembered, Mr. Speaker, is based on the initiative of the young people and is designed to create new jobs and additional activities.

The government has presented a program to which the youth of our country has spontaneously responded. It is therefore obvious that the program truly meets the needs of the younger generation.

[*English*]

Mr. David MacDonald (Egmont): Mr. Speaker, first of all I must congratulate the Secretary of State for accepting the suggestions made on this side of the House and elsewhere.

Some hon. Members: Oh, oh!

Mr. MacDonald (Egmont): Hon. members over there have a short memory. I am glad that the government is expanding the funds for the program from $15 million to $25 million. As happens so often when the government finally accepts the advice of the opposition, its action is too little and too late.

Some hon. Members: Oh, oh!

Mr. Greene: Is that an original line?

Mr. MacDonald (Egmont): Quite obviously the vast majority of young people who took the government at its word when the program was first announced will still be disappointed. They are already disappointed because in most cases they have not received any information about the projects they submitted almost one month ago. The fact that the government is now accepting projects at the rate of 100 a day will be cold satisfaction to the vast majority of young people who hoped and expected the government to respond favourably to their applications.

Although all hon. members welcome the addition of $10 million to the program, I must say that some of us are extremely disappointed that the Secretary of State has not indicated what alternative suggestions or proposals he or his department has in mind with respect to the remaining thousands of projects. After all, some 13,000 projects have been submitted. If about 600 have already been accepted, and a few hundred more may be accepted, this means that between 11,000 and 12,000 projects will go unanswered. This is one of the most, if not the most, shocking aspects of the whole Opportunities for Youth program.

I would have been much happier if the Secretary of State had indicated that he and his officials, in light of the great reaction to this program, were now actively consulting with municipalities, provinces, universities and industry so that some of the most imaginative projects that have been put forward by Canada's young people could be acted upon either in the private sector or in other areas of the public sector. Instead we have been told that, while an additional $10 million will be allocated to the program, the vast majority of projects, conceived in good faith and presented to the minister and his officials with great hopes, will simply not be allowed to come to fruition. That is simply not good enough for the hundreds of thousands of this country's young people who have taken the time and trouble to advance some of the most important, useful and constructive projects that young people of this country have advanced for many years. I urge the minister, in conjunction with his officials, to give serious consideration within the coming week to finding areas where programs that have not been accepted may yet be instituted in order to give our young people an opportunity to serve and so that they may be assisted to continue their education in the fall.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, on behalf of this party may I thank the minister for making his statement and announcing that an extra $10 million is to be made available for the Opportunities for Youth program. Like the hon. member for Egmont, I am very happy to see that the minister has acted upon our suggestions—

Some hon. Members: Oh, oh!

Mr. Nystrom: —and upon the suggestions of thousands of young people across the country. The issue that must be raised is that this announcement has been made on May 11, two or three weeks after many university students have finished their classes, when it should have been made several months ago. I do not see why we should still be formulating student employment policies in the month of May. I do not see why this had to happen. It should have been done last fall or in the early winter so that the young people could have planned their university years and their summers.

As the minister has said, thousands of projects will not be granted or approved. What will happen to the young people depending on getting jobs through the Opportunities for Youth program when their projects are turned down on May 25? How much time will they have to compete for jobs that may not be available? These are things the minister should have thought of early last fall and early last winter instead of coming up with an ill-planned ad hoc type of Opportunities for Youth program at the last moment.

There are other points which come to mind. How many jobs will actually be created under this program? We still do not know the answer. In the jobs that are created how long will the students be employed? Will they only be employed for six or seven weeks or for two or three months? Many students need full summer employment if they are to be able to return to university next fall. They also need summer jobs that pay wages high enough to enable them to continue their studies. These are some of the questions which the program has failed to answer.

In general, this program is a good public relations job, but how much of the problem will it really solve? I would like to make two or three suggestions.

The minister and his department should start thinking right now about next year and do some long-range planning. Why not convene a conference with young people such as the proposed conference that was cancelled last spring? Why not contact the provincial and municipal governments with regard to planning for next year? This should have been done this year instead of this last minute attempt to put forward a patched-up program.

The government should also be pursuing a policy of full employment. If we had full employment we would not be faced with so many problems in finding jobs for our young people.

Finally, whether a student finds a summer job should not determine whether he returns to university. We must think about universal accessibility to education regardless of one's financial background.

Some hon. Members: Hear, hear!

Mr. Nystrom: One's future in education should not depend on how successful one is in competing for jobs that are all too scarce in Canada today.

These are a few points that I hope the minister and the government will consider. Let us not get into this bind next year and disappoint the students again by coming out with a plan at the last moment. Young people want to do something. The minister was surprised that the young people have responded so enthusiastically to this program. I was not surprised. I knew the young people wanted to do something, so let us start planning now for next year and get on with something meaningful.

[*Translation*]

Mr. André Fortin (Lotbinière): Mr. Speaker, last March 16, the right hon. Prime Minister invited our young people to participate actively in the Opportunities for Youth program.

On April 22, the Secretary of State (Mr. Pelletier) cited some statistics and pointed out, for instance, that his department had received 2,485 projects and that he was not surprised because the young were enthused over the opportunity of working towards building the country.

Today, the Secretary of State announced in the House that he had received over 13,000 projects from students and that of this number, only 600 had been approved so far. He announced also that the total budget of the program would be increased by $10 million.

No matter what members opposite might want to say, I would like to remind them that after the announcement made by the Secretary of State which has been reported on page 5150, I strongly urged the government to increase the program's budget, so as not to augment further the feeling of frustration of Canadian students.

Mr. Speaker, I wish to take this opportunity to direct your attention to the ambivalence of the problem confronting the young students of Canada, namely to complete their studies while trying to avoid as much as possible running into debts. It is a well known fact that the scholarship and loan system contributes directly to get them into debt and to delay their start in life and the benefits that their knowledge and skills can bring to society. When they get out of school, students are up to here in debt and receive no government help to continue their education while governments claim credit for making education free.

Moreover, young people are impatient to participate in building their country in projects where their personal initiative is emphasized, where development, environment beautification, recreation, pollution control are involved. These are problems that are of deep concern to young Canadians and their response to the Opportunities for Youth program—more than 13,000 projects probably involving thousands of students—shows the number of students who are in debt and neglected by governments and also their interest not so much in dissent—since they know that in any case the government will not give them a hearing—as in building up their country.

Mr. Speaker, I should like to express somewhat qualified praise of the Secretary of State for the budget and for the number of projects presented by students which have been approved. Ten million dollars are certainly better than the total of $14.7 million originally allotted for the whole program, but that certainly is still inadequate.

Therefore, I want to renew my pleading with the government and particularly the Prime Minister and the Secretary of State to review their positions and further increase the budget in order that the Opportunities for Youth program should not bring about increased frustration among students who, believe it or not are really people to build up our country.

Inquiries of the Ministry

• (2:20 p.m.)

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INCREASE IN COST OF LIVING—NEW MEASURES TO CONTROL INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Prime Minister. Now that the Dominion Bureau of Statistics has announced an increase in the cost of living for the first four months of this year amounting to 1.8 per cent, or an annual rate of some 5½ per cent, is it the position of the government that, as the right hon. gentleman indicated last December, inflation has been licked by the policies of this administration, or does the government intend to announce new measures to control the increase in the cost of living?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it has never been the position of the government that inflation is something you can lick once and for all.

Some hon. Members: Oh, oh!

Mr. Trudeau: I am happy to hear that the opposition thinks it is. I am happy to see that now they are proposing we should shift our economic policies toward combating inflation rather than unemployment.

Mr. Stanfield: Mr. Speaker, that was surely the shortest licking in history.

Some hon. Members: Oh, oh!

Mr. Stanfield: Now that the Prime Minister has admitted elsewhere that unemployment was created by the government to fight inflation, I should like to ask the right hon. gentleman whether he intends to fight the bout of inflation indicated by this increase in the cost of living by creating more unemployment?

Mr. Trudeau: No, Mr. Speaker.

Mr. Stanfield: Now that the Prime Minister has said that inflation with high employment is not an acceptable alternative to no inflation with high unemployment, I should like to ask the government whether it is quite satisfied to have both high unemployment and a high rate of inflation?

Mr. Speaker: Order, please. The hon. member for Waterloo on a supplementary.

Mr. Saltsman: I have another question, Mr. Speaker.

Mr. Speaker: The hon. member for Yukon on a supplementary.

Inquiries of the Ministry

INCREASE IN COST OF LIVING—RECONSIDERATION OF CUT IN ISOLATED POST ALLOWANCES FOR GOVERNMENT EMPLOYEES

Mr. Erik Nielsen (Yukon): I wish to direct a question to the President of the Treasury Board; I am sure the answer will interest the hon. member for the Northwest Territories as well as myself. Having in mind the figures recently released by the Bureau of Statistics indicating an increase in the cost of living, will the government reconsider its announced cut in the isolated post allowances for government employees in the north?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think, as the hon. gentleman knows, this particular problem has been reviewed quite extensively and is near final resolution.

Mr. Speaker: The hon. member for Waterloo.

Mr. Saltsman: Mr. Speaker—

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask a supplementary question.

[*English*]

Mr. Speaker: Order. Again I apologize to the hon. member for Waterloo. I believe the hon. member for Joliette has a supplementary.

[*Translation*]

INCREASE IN COST OF LIVING—FULL EMPLOYMENT POLICY, WAGE AND PRICE CONTROLS

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to direct a supplementary question to the right hon. Prime Minister.

With reference to the statement made by the Chairman of the Economic Council of Canada that the government should establish compulsory programs, could the Prime Minister tell us whether he intends to propose a total employment policy including the freezing of prices and salaries?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have had occasion to state previously that freezing prices and salaries was one of the alternatives considered by the government should other decisions become necessary in matters of economic policy. Obviously if such a decision were taken it would be announced in the House, but for the time being, Mr. Speaker, we are still at the stage of developing such measures and many others.

* * *

[*English*]

TRADE

SUGGESTED OFFER OF ATLANTIC FREE TRADE AGREEMENT TO UNITED KINGDOM

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. In view of the information reaching Canada that there is a growing body of opinion in the United Kingdom with serious second thoughts about joining the European Common Market, would the minister tell the House whether he would take the initiative, under these circumstances, in offering the United Kingdom and other members of EFTA an alternative to the EEC in the form of an Atlantic free trade agreement?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, it is my impression that the British government has always been aware of the opinion of the British population when proposing entry into the Common Market. This is not a new event.

Mr. Saltsman: As the minister is aware, there is a change in opinion, but the question that I hoped he would answer was whether the department, the minister personally or the government is taking some initiative in offering to the United Kingdom and the EFTA countries an alternative to the European Common Market?

Mr. Pepin: Mr. Speaker, I think we presume that entry will take place and we are trying to get the best possible deal for Canada within that context.

Mr. Saltsman: Since that kind of assumption has some doubts attached to it, would the minister say whether he has any alternative program to offer in the event that Britain is prepared to consider—

Mr. Speaker: Order. I can think of many procedural objections to the hon. member's supplementary.

POSSIBLE ENTRY OF BRITAIN INTO EUROPEAN COMMON MARKET—ARRANGEMENTS TO PROTECT CANADA'S INTERESTS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary for the minister. Would he indicate very briefly the nature of the arrangements that he is seeking to make in order to protect Canada's interests?

Mr. Speaker: Order, please. It seems to the Chair that is a very broad question. If the minister is able to answer the question briefly he might do so, but normally this is the kind of reply which ought to be given by way of a general statement on motions.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I think the Secretary of State for External Affairs and myself have reported extensively on what we have been trying to do. We have had some relatively interesting results regarding, for example, British agricultural policies and so-called sensitive items such as plywood, newsprint and the like, and doubtless others will come up in due course.

Mr. Speaker: Order, please.

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—ACCEPTANCE OF PROJECTS—ALLOCATION OF FUNDS TO ONTARIO AND QUEBEC

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a supplementary question to the Secretary of State.

Will the government consider the Opportunities for Youth program projects presented after the date of expiry since the grants allocated to those projects have been increased?

Hon. Gérard Pelletier (Secretary of State): We have always stated, Mr. Speaker, that the projects which had been received on the set date would have top priority, but we are not legalistic and a delay of two or three days will not be considered as a diriment impediment.

Mr. André Fortin (Lotbinière): Mr. Speaker, I should like to put a supplementary question.

Mr. Speaker: Does the hon. member for Lotbinière wish to put a supplementary question?

Mr. Fortin: Yes, Mr. Speaker.

I would like to ask the Secretary of State how much of the $10 million increase in the Opportunities for Youth budget will go to Quebec and Ontario.

Mr. Pelletier: Mr. Speaker, such calculations have not been made yet. I do not have any figures. My only reply to the hon. member is that the allocation of funds to subsidize projects is in terms of the unemployment rate among the young people in the various regions of the country.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—ASSISTANCE OF OTHER GOVERNMENTS AND AGENCIES—COMMUNICATION WITH APPLICANTS

Mr. David MacDonald (Egmont): Mr. Speaker, in view of the fact that the minister has now acknowledged that the vast majority of projects will not be accepted under the Opportunities for Youth program, will he indicate whether steps are being taken to consult with other bodies including municipal and provincial governments and independent agencies such as universities and industries to determine whether some of the more imaginative and important programs can even yet be implemented with their assistance?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I was surprised to hear the hon. member for Egmont talk about that in his reply to my statement on motions, and I am now to hear him raise the matter again in a question, because it has been established for weeks—I had the opportunity to mention it many times—that the secretariat of Opportunities for Youth would not consider a refusal as final, but would rather try, as it is already doing, with regard to projects that it cannot finance entirely, to find with the young people themselves as much as possible, other sources of financing and other ways of implementing them, either in co-operation with private industry or through various levels of government.

[*English*]

Mr. MacDonald (Egmont): Mr. Speaker, in view of the fact that many hundreds and conceivably thousands of people who have submitted projects have had no word so far from the Opportunities for Youth program, what steps are being taken to clear the communication log jam that presently exists in order that many of the people who are still waiting, some for longer than a month, will finally be able to get in contact with this agency?

[*Translation*]

Mr. Pelletier: Mr. Speaker, the worst of the problem which in my opinion was unavoidable, has now passed. In any youth organization, like in any other for that matter, when a deadline is set, most people report on or about that date and, inevitably, communications cannot be planned for just that rush period. However, I think we have now passed that period and that the hon. member will observe that the communications situation is coming back to normal if it has not already actually returned to normal.

OPPORTUNITIES FOR YOUTH PROGRAM—INCREASE IN NUMBER OF PROJECTS

Mr. Jacques-L. Trudel (Montréal-Bourassa): Mr. Speaker, I should like to put a question to the Secretary of State.

In his statement, he said he had approved 600 different projects. With the additional $10 million does he expect to be able to approve as many projects as with the former subsidy, and can he tell the House when we can expect information on the additional projects?

Hon. Gérard Pelletier (Secretary of State): In my statement, Mr. Speaker, I said that we were making every effort to have all the projects approved by May 25, which would give enough time to implement them and give summer employment to the students. On the other hand, the number of projects will depend on the importance of each one and on their average cost which we will try to maintain at the same level, that is the average subsidy allotted each project to date. I believe the program will be increased proportionately to $10 million, that is to say by approximately two-thirds, numerically as well as financially.

OPPORTUNITIES FOR YOUTH PROGRAM—CRITERIA FOR ACCEPTANCE OF PROJECTS

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to ask the minister which general criteria are used to reject or approve a project. Is the decision taken arbitrarily or is a particular study made in that connection? The minister must have criteria to decide whether to accept or to reject a piece of legislation.

Inquiries of the Ministry

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, those criteria have been established and publicized. If the hon. member will make a thorough search in his office, I am sure that he will find accurate information in this connection. Were I to list here all the criteria, which are rather numerous and sophisticated, I would surely go over the time which Your Honour can allow me.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—ALLOCATION OF FUNDS TO BUILD SATELLITE CITY IN NORTH

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a supplementary question for the Secretary of State. Is any part of these funds being allotted to the suggested program announced by the Prime Minister for the building of a city in Canada's north involving 10,000 young Canadians?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I think, Mr. Speaker, that the hon. member was not here the other day when somebody else asked me this question to which the reply was no.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—EMPLOYMENT PROVIDED BY DEPARTMENT OF NATIONAL DEFENCE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of National Defence. In view of the $10 million increase in the money allotted to the Opportunities for Youth program, is the minister now prepared to indicate whether it is intended to increase student militia and civilian employment in this area?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I regret to say that the budget allocated to the Department of National Defence has not been increased so we will not be able to increase the approximate number of 7,000 to 8,000 young people who will be provided with opportunities by the Department of National Defence this summer.

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CORPORATE AFFAIRS

REORGANIZATION OF RIDEAU-CARLETON RACEWAY—ROLE PLAYED BY TRUSTEE AND MESSRS. ARMSTRONG AND FASKEN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Following the chicanery involved in the reorganization in Ottawa yesterday of Rideau-Carleton Raceway, will the minister conduct an investigation of the role played by the trustee and by Messrs. Armstrong and Fasken?

[Mr. Asselin.]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not familiar with the situation, not being a track fan, but I will certainly look into it and report to the hon. member as soon as possible.

Mr. Broadbent: In addition to his personal service to myself, will the minister undertake to report back to the House as a whole?

Mr. Basford: If that is appropriate, of course I will.

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AIRPORTS

TORONTO INTERNATIONAL—REPORTED DISTURBANCE INVOLVING RCMP CONCERNING ARRIVAL OF AIR CANADA PLANE

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, is the Minister of Transport in a position to inform the House of the circumstances of the reported disturbance at Toronto International Airport last evening concerning the arrival of an Air Canada 774 aircraft which involved the RCMP? Have any charges been laid as a result of the reported fracas?

Hon. Donald C. Jamieson (Minister of Transport): Under the circumstances, Mr. Speaker, I will take the question as notice.

* * *

[*Translation*]

NATIONAL PARKS

QUEBEC—ESTABLISHMENT OF PARK IN MAURICIE AREA

Mr. René Matte (Champlain): Mr. Speaker, I want to direct a question to the Minister of Indian Affairs and Northern Development.

Could he indicate whether the final plans for the development of the St. Maurice valley national park are ready?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, general plans have been prepared by experts. Of course, there may be changes while the park is being developed but this is not anticipated at the present time.

* * *

[*English*]

AIR TRANSPORT

HIJACKING—PARLIAMENTARY RATIFICATION OF HAGUE CONVENTION—AMENDMENTS TO CRIMINAL CODE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I have a question for the Prime Minister. As Canada is one of the nations that signed the Hague convention in reference to the suppression of unlawful seizure of aircraft, is it now the government's intention to have that agreement ratified by Parliament? Is it the intention of

the government to bring forward immediately amendments to the Criminal Code in reference to and along the lines of the suggested agreement which covers, of course, hijacking?

Right Hon. P. E. Trudeau (Prime Minister): I will take notice of the question on behalf of the Secretary of State for External Affairs.

Mr. Woolliams: Mr. Speaker, I would ask the Prime Minister whether he has made any suggestions as a matter of policy in this regard to the Department of Justice, and is that the reason a bill with reference to hijacking has not been brought forward this session?

* * *

INDIAN AFFAIRS

ESTABLISHMENT OF FIRST INDIAN MUNICIPALITY AT CAPE MUDGE—DEPARTMENTAL INVOLVEMENT

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. Can he indicate whether he or his department was involved in the negotiations that paved the way for the establishment of Canada's first Indian municipality at Cape Mudge, British Columbia? If there was any involvement, in what way was it done?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we always give consideration to new measures approved by the Indians and I must say that we have had many consultations with the Minister of Municipal Affairs of British Columbia in order to solve the Cape Mudge problem. I am happy to note that a solution has been found. As it was impossible to amend the Indian Act, the provincial government has decided to amend the Municipal Code of British Columbia.

[*English*]

Mr. Yewchuk: Mr. Speaker, does the minister consider this step of establishing a municipality as implementation in part of the white paper proposals? Can the minister give the assurance that the federal government will continue to discharge all its responsibilities in respect of funds, services and programs for the Indian people or will these responsibilities be transferred to the provincial government in some way?

[*Translation*]

Mr. Chrétien: Mr. Speaker, the solution co-ordinates the responsibilities of the federal government and allows the Indians of British Columbia, especially those of Cape Mudge, to take advantage of provincial services since they are citizens of British Columbia.

[*English*]

NATURAL RESOURCES

PROPOSAL FROM FIVE EASTERN PROVINCES RESPECTING OFFSHORE MINERAL RIGHTS

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister received a joint proposal from the five eastern provinces regarding offshore mineral ownership? If so, what response has he made to this proposal?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I have not received such a response, barring it having arrived in the last few hours. As recently as a few days ago I looked into this matter and there was no response from the collective five provinces, as the member asked. Indeed, I said last week, I believe, that the federal government was still waiting for an answer from many provinces on the proposals it made more than two years ago.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary question. Will the Prime Minister not agree that in fact the five provinces concerned have always had a common position with regard to offshore mineral rights.

Mr. Speaker: The hon. member for Greenwood.

* * *

STATUS OF WOMEN

COMMISSION RECOMMENDATION FOR NATIONAL DAY CARE ACT—CONSULTATION WITH PROVINCES

Mr. Andrew Brewin (Greenwood): I am sorry, Mr. Speaker, I just mislaid my glasses.

Mr. Speaker: The hon. member is recognized for the purpose of asking a question.

Mr. Brewin: Mr. Speaker, I should like to address my question to the Minister without Portfolio who has been assigned responsibility for co-ordinating the proposals of the Royal Commission on the Status of Women. In view of the central importance assigned by the report to the provision of day care centres, has the minister consulted or will he consult with the provinces with a view to adopting a national day care act as recommended by the commission?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I think somebody across the aisle answered that. It is a good question. As with all the other recommendations we will give it very serious consideration, but I make no comment at this stage.

Inquiries of the Ministry

PUBLIC WORKS

TORONTO—ASSISTANCE TO PAINTERS TO COLLECT MONEY OWED FOR WORK ON CERTAIN BUILDINGS

Mr. S. Perry Ryan (Spadina): Mr. Speaker, in the absence of the Minister of Public Works I will direct my question to the acting minister. With regard to the alterations to the dominion public building and the city delivery Post Office building in Toronto, would the minister come to the aid of the 20 painters who are owed $7,000 and who were laid off on April 2 last because the contractor went broke?

Hon. Jean-Eudes Dubé (Acting Minister of Public Works): Mr. Speaker, I will be very pleased to bring this matter to the attention of the Minister of Public Works. He should be back in the House shortly.

* * *

[*Translation*]

AGRICULTURE

PROVISION OF REPRINTED FARM PRODUCTS MARKETING BILL TO QUEBEC MINISTER

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

Following the controversy over Bill C-176 and consideration by the Standing Committee on Agriculture, this bill has been reprinted. Is the minister in a position to say whether a copy of the reprinted bill has been sent to the Quebec Minister of Agriculture?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker. I am not entirely sure one has been, but I believe the general practice is that all provincial Departments of Agriculture receive all bills pertaining to agriculture which are introduced in this House.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

In view of the seriousness of the situation and the urgency of solving a certain problem, has the federal Minister of Agriculture received a copy of Bills 15 and 16 which are under consideration in the National Assembly of Quebec?

* * *

[*English*]

CONSUMER AFFAIRS

REQUEST FOR INVESTIGATION OF SPREAD IN PORK PRICES

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. In light of the continuing spread between the prices of pork currently being sold to the consumer and the price being received by the producer, representing a differential of approximately four to one, would the minister undertake to investigate this discrepancy at once and report the results of his investigation to the House?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I think a definitive statement on this matter was made on the ten o'clock show a little while ago, and there is really not very much I can add.

SUGGESTED REPLACEMENT OF PRICES AND INCOMES COMMISSION BY MORE EFFECTIVE AGENCY

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I should like to direct a question to the Minister of Consumer and Corporate Affairs. In view of the continuing rise in the cost of living announced today, is it the intention of the minister to terminate the Prices and Incomes Commission and create a more effective agency to protect the consumer from inflation?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, a consumer price increase of less than 2 per cent a year on an annual basis would seem to indicate the effectiveness of present government policies.

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NORTHERN AFFAIRS

DISCOVERY OF OIL AND GAS EAST OF TUKTOYAKTUK—REQUEST FOR INFORMATION

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. In view of the announcement by Imperial Oil Limited that a further discovery of oil and gas has been made east of Tuktoyaktuk in the Northwest Territories, can the minister indicate whether he has any information on the size of the find and also what significance it will have on future gas and oil exploration in the Mackenzie area?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I cannot give any other information than what is known at present. This is a new discovery of oil in the Mackenzie delta area. In the course of the next few weeks, we shall know the exact nature of this formation. I should indicate to the hon. member that this is certainly encouraging for Northern Canada and that this will further stimulate oil and gas exploration in that region.

* * *

[*English*]

OIL

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—EFFECT ON GOVERNMENT POSITION OF STATEMENT BY DEPUTY MINISTER—PROVISION OF POLLUTION CONTROL ZONE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of

Energy, Mines and Resources arising out the statement made by his deputy minister, Jack Austin, at Anchorage in which he said that provided full environmental protection is assured for adjacent Canadian territories Canada would accept a United States decision to send tankers from Valdez down the Pacific coast. I want to ask the minister whether his deputy's statement indicates that the Canadian government has withdrawn its objection to the TAPS route and to the passage of oil tankers down the west coast of Canada?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): No, Mr. Speaker. I believe the government's position has been consistent throughout. We are greatly concerned about the possibility of ecological damage resulting from a tanker accident if the Valdez route is pursued.

Mr. Douglas: Mr. Speaker, may I direct a supplementary to the Prime Minister. In view of the very firm action the Prime Minister took last year in asking Parliament to provide for a 100-mile pollution control zone in the Arctic, may I ask whether the government intends to take similar action to protect the west coast of Canada where the danger is just as great and the possibility of oil spills even greater?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—MEASURES TO PROTECT CANADA

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a supplementary for the minister whom I am happy to see back in the House looking very well. Now that he is back I wonder whether he would take a very early opportunity to tell the House what measures he proposes to take to protect Canada with regard to the proposed TAPS route?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I believe the Secretary of State for External Affairs has indicated the action we are taking in discussing this matter with our United States counterparts. If any further action is possible by Canada or is determined by the government, it will be announced in the House in proper fashion. I am certainly pleased to see the Leader of the Opposition looking well as usual also, Mr. Speaker.

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—REQUEST FOR TABLING OF SPEECH BY DEPUTY MINISTER

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to ask the minister a supplementary arising in part from some questions I addressed to the Prime Minister on May 7 on this subject. First, when the deputy minister spoke in Alaska, was he speaking officially on behalf of the minister and the government?

Mr. Speaker: Order, please. The hon. member cannot ask that question. Perhaps he might rephrase it. I have previously suggested to hon. members that we will get ourselves into some difficulty if the question period relates to statements made outside the House by officials of the government or public servants. I would think the hon. member should find it possible to rephrase the question.

Mr. Barnett: Mr. Speaker, I will try a different tack. In the light of the answer given to me by the Prime Minister, and in view of the confusion surrounding the question of what this statement made by the deputy minister in Anchorage means, I would first of all like to ask the minister whether he would table a copy of this speech in the House so that we may understand its content fully and, second, would he undertake to clarify to the House whether or not the contents of this speech do represent government policy?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I will be very pleased to file a copy of the speech if this meets with the approval of the House, but of course the government speaks for the government and, popular opinion to the contrary, it is not the officials who determine policy; it is the government.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: What is the policy, Joe?

* * *

AIRPORTS

TORONTO—FINANCIAL ASSISTANCE IN PROVISION OF ACCESS ROADS AND OTHER FACILITIES FOR NEW AIRPORT

Mr. W. M. Howe (Wellington-Grey-Dufferin-Simcoe): Mr. Speaker, I have a question for the Minister of Transport. In reply to a question I asked him a few days ago he said that he had had some discussions with the provincial Minister of Transport in Toronto in connection with the new airport that is going to be built there. In view of the tremendous expenditures that the province and the municipalities surrounding the airport are going to be faced with in providing access roads and sewage and pollution control facilities, was there a formula presented or arrived at for a sharing of the costs or for assistance from the federal government in the carrying out of these projects?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker, because, of course, the site itself would have to be determined before the actual costs of the development at that site could be estimated. However, in consultation with the province of Ontario we did identify the various levels of expenditure, and so it is known for the various sites what roads and various other forms of infrastructure would be required in each instance.

Inquiries of the Ministry

Mr. Howe: Have any discussions been held with the Minister of Regional Economic Expansion in order that this airport region might be made a designated area, as has been done in the Montreal case, so that such assistance would be made available in Toronto as well?

Mr. Jamieson: Again, Mr. Speaker, I might borrow one of your phrases and say this is hypothetical until the site is actually known and determined.

Mr. A. D. Hales (Wellington): As a supplementary question, Mr. Speaker, I would like to ask the minister if he would be prepared to give the province of Ontario the same support for these services as he has given to the St. Scholastique airport in Quebec?

Mr. Jamieson: Mr. Speaker, the situation at the moment is as I have outlined it on one or two previous occasions. This is a very complex matter. We have put all of our data at the disposal of the province of Ontario. It is now being examined very thoroughly by them, as I understand from the provincial Minister of Transport, with a view to formulating their response to the proposals we have placed before them. When they have gone through this exercise, which I can well understand will take some time, I have indicated that I am quite prepared to sit down and talk to them about every aspect of the proposals.

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[*Translation*]

COMMUNICATIONS

JURISDICTION OVER TELECOMMUNICATIONS AND BROADCASTING—DISCUSSION WITH QUEBEC AND ONTARIO

Mr. André Fortin (Lotbinière): Mr. Speaker, since the Secretary of State is not in the House, I will address my question to the Prime Minister.

In view of the contradictory positions of the Quebec and Ontario governments and the federal government over the subject of telecommunications and since Ottawa announced it was ready to negotiate, while Quebec is entering this field, I would like to ask the Prime Minister if talks are taking place between the federal and provincial governments in order to arrive at tentative solutions to this problem.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know that federal officials have already met with their provincial counterparts to discuss the problem.

Mr. Fortin: I have a supplementary, Mr. Speaker.

Could the Prime Minister tell us whether these negotiations are formal or informal, and whether a report will be submitted to the next federal-provincial conference?

Mr. Trudeau: Mr. Speaker, these meetings are social and I do not know what difference the hon. member makes between "formal" and "informal", but in fact the meetings did take place. As far as I know, no province has called for this item to be placed on the agenda of the June conference.

[Mr. Jamieson.]

[*English*]

SPORTS

FINANCIAL ASSISTANCE TO MONTREAL FOR 1976 OLYMPIC GAMES

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I wish to direct a question to the Prime Minister. Has the federal government given or will it be giving any financial assistance to the city of Montreal in preparation for the 1976 Olympics?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the position of the federal government was made quite clear in an exchange of correspondence with the Mayor of Montreal at the time the federal government supported both Montreal and Vancouver, British Columbia, in their applications for the Olympics. In the case of Montreal it was that we were not prepared to assist financially in the organization and carrying out of the Olympics.

Mr. MacInnis: Would the Prime Minister speak to the Minister of National Health and Welfare in order to clear up the ambiguity in his report on sports and physical fitness which has just been released?

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POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—SCOPE OF NATIONAL ENERGY BOARD INVESTIGATION OF APPLICATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Has the government given any policy directive to the National Energy Board so that in considering the application for development of power from rivers flowing into James Bay the board will study the effects on the ecology of the region, the possible loss of resources such as lumber and minerals, and the displacement of Indians who live in the area, before giving approval to the project?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I believe the first two items referred to in the hon. member's question are within the direct purview of the board under the terms of the National Energy Board Act. I am not sure whether the last item he referred to is under their terms of reference, but I will certainly be pleased to consider same.

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—PROTECTION OF RIGHTS OF INDIANS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a supplementary question to the Minister of Indian Affairs and Northern Development. Is his department giving careful examination to the application for the development of the James Bay rivers so that the interests of the Indians living in the area will not be

adversely affected, as were the interests of the Indians living behind the Bennett Dam?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I have looked into the matter and as Quebec Indians have made such a statement I have requested my officials to place the problem on the agenda of the next meeting of the three-level committee including representatives of the federal and provincial governments and of the Indians.

* * *

[*English*]

FEDERAL-PROVINCIAL RELATIONS

DISCUSSION OF REMOVAL OF RESTRICTIONS ON USE OF FEDERAL PAYMENTS UNDER SHARED-COST PROGRAMS

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the right hon. Prime Minister. In view of yesterday's statement by the Quebec minister of social affairs that the federal government has failed to establish minimum living standards and that the province should have precedence, is the government considering discussing with Quebec and the other provinces at the constitutional conference the possibility of paying out the federal portion of shared-cost programs without the existing stipulations on the use of such funds?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, a meeting has been planned of the federal and provincial ministers of health and welfare for, I believe, May 25 or May 26. That federal-provincial meeting is to report to the federal-provincial meeting in June. Beyond that, Mr. Speaker, all I can say is that the provinces will make their representations and the federal government will make its representations.

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CORPORATE AFFAIRS

POSSIBLE ADVERSE EFFECTS OF VERTICAL INTEGRATION RESULTING FROM ACQUISITION BY CONSUMERS GAS OF CONTROL OF HOME OIL

Mr. Stan Schumacher (Palliser): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. In view of the fact that Home Oil owns a major interest in Trans-Canada Pipe Lines, the only carrier of natural gas to eastern Canada, has the government given any consideration to the possible adverse effects of vertical integration which may result from Consumers Gas Co. acquiring control of Home Oil?

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NATIONAL PARKS

RIDING MOUNTAIN—CLOSURE OF CHURCH CAMPS

Mr. Craig Stewart (Marquette): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development. It arises out of the government's announced intention to force the closure of six church youth camps in Riding Mountain National Park. Because of the concern and the alarm of the people of western Canada, will the minister give the reasons for these closures?

Mr. Speaker: Order. I suggest to the hon. member that if the minister is going to give reasons it should not be done at this time. If the hon. member suggests there is urgency in knowing what these reasons are, perhaps the matter could be considered at the time of adjournment.

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TRANSPORT

DISCUSSIONS WITH CITIES ON RAILWAY LINE RELOCATION PROJECTS

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister indicate if progress has been made in studies and talks with various cities, including the city of Regina, on rail line relocation projects, and could he indicate if he will be in a position to announce a policy on this matter in the near future?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, without wishing to evade the question, I am afraid it is a little too broad in its general direction for me to answer. I think I might say that in some cases progress has been made and in some cases it has not. I shall try to get together an up to date report and make it available to the hon. member.

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AIRPORTS

TORONTO—PROVISION OF FACILITY FOR SHORT TAKEOFF AND LANDING AIRCRAFT

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I have a question for the Minister of Transport. Has the minister made any proposal to the provincial authorities of Ontario with respect to a short takeoff and landing airport at Toronto, either in association with the proposals regarding the new international airport or apart from those proposals?

Hon. Donald C. Jamieson (Minister of Transport): Not in the manner in which the hon. member phrases the question, Mr. Speaker. The whole question of the future of short takeoff and landing aircraft is of course part of a study going on with regard to airport service for southwestern Ontario, but we have not identified a particular site nor put forward what I might describe as a precise proposition.

Development of Northern Canada

AGRICULTURE

FARM PRODUCTS MARKETING BILL—SUGGESTED MEETING WITH PROVINCES

Mr. J. H. Horner (Crowfoot): I should like to direct a question to the right hon. Prime Minister arising out of the reply he gave yesterday when he said he was not surprised that a number of provinces had wavered in their agreement on Bill C-176. Is the Prime Minister now prepared to call the provinces together again to discuss their approach to Bill C-176?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, after so many months of waiting for a bill it is not surprising that provinces want to try other methods, such as going to the Supreme Court but we still feel that the best method is to proceed with this bill.

Mr. Horner: Mr. Speaker, a supplementary question—

Mr. Speaker: Order, please. The hon. member will have noticed that for the last few minutes I have tried to allow as many hon. members as possible to ask questions. A number of hon. members did not have an opportunity to ask their supplementaries but perhaps they might be asked as first questions tomorrow.

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PUBLIC SERVICE

CLYNE COMMITTEE RECOMMENDATION FOR WITHDRAWAL OF RIGHT TO BARGAIN COLLECTIVELY FROM CERTAIN EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): May I direct a question to the President of the Treasury Board, Mr. Speaker. In view of the mounting concern expressed by public service staff associations over the apparent readiness of the government to agree to the recommendations of the Clyne committee, particularly the one which would remove top public servants from collective bargaining, is the minister now in a position to make it clear that the government does not accept that particular recommendation?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I think the hon. gentleman is asking me to prejudge a review of the Public Service Staff Relations Act which is now under study.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED FAILURE OF GOVERNMENT TO ADOPT POLICIES TO DEVELOP THE HUMAN, CAPITAL AND NATURAL RESOURCES OF NORTHERN CANADA

Mr. Knowles (Winnipeg North Centre): I assure you, Mr. Speaker, that my point of order has nothing to do with the fact that I did not get in my supplementary question; I will ask that tomorrow. There have been discussions among House leaders about the length of speeches today and I think you will find that, despite the provisions of Standing Order 58(13), there is agreement that the principal spokesman for each of the four parties should be granted 30 minutes and all other speakers 20 minutes. There is no suggestion that the 20 minutes be reduced but there is the hope that nobody will go over that.

[Mr. Jamieson.]

Mr. Baldwin: This is agreed, Mr. Speaker.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. G. W. Baldwin (Peace River) moved:

That this House believes that an enlightened program of human and economic progress for northern Canada offers great opportunities for the people of this country; and that the economic and social policies of the present government have brought about confusion and delayed progress; and that it is essential to make appropriate changes in our approach in respect of northern Canada;

And this House condemns the government for its failure to promote a truly Canadian strategy for the north based on human, capital and natural resources, and urges that appropriate policies be adopted at once that will bring about such development in that region.

He said: Mr. Speaker, when you started reading the motion I saw that there were in the House three of the four horsemen on the government side who have been riding off in different directions on this issue over the last two or three months but three of the horsemen have vanished, leaving only the Minister of Indian Affairs and Northern Development (Mr. Chrétien). I had hoped that the Minister of Fisheries and Forestry (Mr. Davis)—soon, we hope, to be given the accolade of minister of the environment—the Minister of Energy, Mines and Resources (Mr. Greene), the Minister of Indian Affairs and Northern Development (Mr. Chrétien) and of course last, but not by any means least, the hon. member for Duvernay (Mr. Kierans) would have remained for the debate. I am in great hopes that the latter hon. member, before this debate concludes, may give us the benefit of his views, although he may well have left that opportunity to the hon. member for Trinity (Mr. Hellyer) who is here and who may well be informed on this particular issue.

This party, which has the honour to be Her Majesty's Loyal Opposition, may not have any copyright on issues dealing with the north but certainly by right of its history, traditions and actions, it has the best right to bring forward a motion of this kind. The first leader of this party after confederation was one of the main architects of national unity. He brought in a program and a national policy which has continued to the present time.

During my period in this House and during the elections in 1957 and 1958 the party, then led by the right hon. member for Prince Albert (Mr. Diefenbaker), pro-

posed a program of northern development which caught the imagination of this country and which was to a large extent implemented during the period when that government was in office. It was the Conservative party which built the railroads that stitched together the far flung areas of the northern continent. When we talk about a country which is unique we use the words bilingualism, multiculturalism, diversity and economic conditions. I suggest to you and to this House, Mr. Speaker, that there is a quality of uniqueness about a country which has a large and well established industrial base, a great expanse of territory and a frontier land awaiting human development to bring about the coalition of forces involved in a nation of this kind.

In spite of differences of language, manners and customs, and in spite of things silently gone out of mind and of things violently destroyed, this land should bind together in passion and understanding and shared problems, a great empire of human society. From time to time this party has been the instrument to bring out to some substantial extent this form of development.

In 1957 and 1958 there was a Road to Resources program; there was the construction of a railroad line into the northern territories, something which had been talked about for many years but was implemented by this party; there was construction of airports and airstrips throughout the north; there were a number of factors which brought about facilities in northern Canada which had been lacking in the past. In his concern for the questions relating to northern development as they touch upon industrial development in other parts of Canada and the dangers of pollution, the present leader of this party has seen fit to intervene and to inspect personally some of the problems of the north and to talk to its people. While he has had some opportunities to discuss this in the House, I am sure we will have an opportunity to hear more about it.

• (3:10 p.m.)

I suggest to you, Mr. Speaker, and to this House that our party is qualified by experience and desire to deal with this particular problem. On the other hand, the government is made up of a party which, from the earliest days, has scoffed, jeered and poured contempt on programs leading to northern development. The records of this House are studded with illustrations of my statement. Defences are like trousers; they should be kept up at all times. Unfortunately, the government's defences in this area are down, and there has been a most improper and indecent exposure of the government's insignificant and irrelevant programs with regard to northern development. History shows that this government and the Liberal party have scuttled the expansion of genuine Canadian development. I will not go into the facts; they are well known and taught in the history books. Children in school know that the Liberal party has never been interested in northern development.

An hon. Member: That is not correct.

Mr. Baldwin: I and certain of my colleagues have seen at close range the precise form which that opposition has taken. Who will not recall that the leader of the Liberal party in 1957 and 1958 jeered at the Roads to Resources program and said that we would be building roads from igloo to igloo. Those roads were built, Mr. Speaker. They were built in all provinces of this country and they laid the foundation on which we could build further and necessary northern development.

What about the Pine Point railway, Mr. Speaker? For 50 years, or ever since Alberta came into confederation, there was talk of this development. That was the dream of people in northern Alberta and in the Northwest Territories. Motions were brought in this House under the administration of Right Hon. Mackenzie King, and under that of other Liberal leaders, yet nothing was done. In 1958, the man who led this party made a pledge, and in due course that pledge was implemented. The Liberal party, then in opposition, bitterly and strenuously opposed the construction of that railway.

An hon. Member: Shame.

Mr. Baldwin: I am afraid that they were joined in opposition by my friends to my left, who were then members of the CCF party. They voted against the bill incorporating the Pine Point railway. The Conservative government of the day, supported by its Conservative members, instituted and brought forward in this country the very wise and sensible program of railway development which has brought about such great improvement in our northern country.

My hon. friends opposite, both while in government and in opposition, have also been opposed to certain other programs. The hon. member for Yukon (Mr. Nielsen) illustrated, with his eloquent and articulate remarks, the dangers inherent in the Yukon minerals legislation and in the bill dealing with the Northern Canada Power Commission. This afternoon, in the question period, the Bennett dam was mentioned. Although I and members of my party protested the building of this dam to the Liberal government of the day, that Liberal government insisted upon proceeding with that dam in the face of what I suggest were definite warnings about dangers which were inherent in the proposal to construct that dam. Its construction was bound to affect seriously all those who inhabited the downstream areas in Alberta and in the Northwest Territories. The government insisted on going ahead. They would not demand from the government of British Columbia, as it was their moral and legal duty to do, assurances that that government would proceed to secure a permit under the provisions of the Navigable Waters Protection Act for the building of that dam. This would have meant that the government of British Columbia would have had to file documents indicating what its engineering plans were. I am convinced that if that information had been made available to the public, the people of Canada and this party would have brought pressure on the government of British Columbia because they would have realized the necessity of taking steps to prevent the serious deterioration of the environment which has affected the people of northern Alberta and of the Northwest Territories.

The Liberal government has dragged its feet continuously on the question of self-government for the Yukon and for the Northwest Territories. They are satisfied, as they have always been, to maintain the status quo, meaning a quasi-colonial establishment.

May I turn to the motion in my name. After all, I could spend 30 minutes cataloguing the sins, errors and omissions of this government. I want to speak constructively and to make some proposals which I hope the government will consider, although I have strong doubts about that. I want to touch briefly on certain areas covered by the motion and leave to my colleagues the task of going into them in more detail later. We must re-examine the form in which we deliver our resources outside of Canada's borders. Canadian needs of the future must be examined and taken into consideration when considering the question of our resources. We must consider dangers to the environment involved in the processing of our resources in northern Canada and in the use of our rivers, waters, minerals, natural gas and petroleum. We must consider the extent to which we can make use of a combination of our resources to produce power. We must also consider the best way to use resources which we have in large quantities. I am talking about resources which may be refined and processed in this country. For far too long there has been no meeting of minds on this issue. I hope that the hon. member for Duvernay who has made public comments on these matters will enlarge on his views in this debate.

I am convinced that in certain situations we ought to rationalize certain industries. It will be possible for the people of this country to process and refine, in secondary and tertiary industries, resources obtained and developed in the north. All this will require careful planning. We will need to examine our resources and catalogue them. We will need to decide where the markets are for these and, having decided whether the markets are to be in Canada or outside or both inside and outside of Canada, we must decide where we can best process these resources. If we can best process some of these resources in Canada, we must consider our ability to deliver some of these resources to countries outside Canada. This, in turn, will lead to the consideration of transportation questions. Too often we have blindly worked out schemes of transportation to apply in northern Canada without calculating carefully what we ought to transport and where we ought to transport it. Careful planning of that sort will be absolutely essential.

There must be, therefore, a rational approach to the exploring and to the cataloguing of our resources, and a rational approach to our consideration of markets, to our consideration of the placing, processing and refining of these resources, and to our consideration of transportation questions. We have heard much about transportation from this government; yet all too often, when rhetoric is mated with a Liberal government, we find that it produces only masterly inactivity. Some of my colleagues will deal with the question of the TAPS line, the question of using the Mackenzie valley for pipelines, the dangers inherent in that course and what precautions must be taken before that route may be used if there is an economic need to use it. The Prime Minister (Mr. Trudeau) has made a few comments on this matter. Yet his comments have been of the kind that make his silences positively delightful, Mr. Speaker.

However, I want to deal mainly with the question of the native peoples of the country, and the extent to which they are enabled to develop their individuality, something which has been lost in much of our society. With regard to the native peoples, Mr. Speaker, the attitude of this government is abysmal. In particular, I refer to the refusal of this government to accept the fact that the people of the Northwest Territories and other parts of Canada have aboriginal rights. I do not have the time to deal with this as extensively as I would like, but I want to refer the House to the royal proclamation of 1763. I am going to analyse and summarize that document very briefly in so far as it deals with aboriginal rights.

• (3:20 p.m.)

This royal proclamation made it abundantly clear that the Indian people of Canada, including western and northwestern Canada, have specific aboriginal rights with regard to their properties, including the land, forests and minerals under the land. That was made quite plain. As a matter of fact, in one or two judgments the late Mr. Justice Sissons of the territorial court of the Northwest Territories referred to this proclamation and the rights of the aboriginal people. He made it abundantly clear in his judgments that these rights have never been surrendered.

We have a situation today where the government is talking about mineral rights in the north, the possibility of pipelines down the Mackenzie valley and development of the north. I suggest to hon. members that a condition precedent to acts of this nature must be the negotiation and settlement of the aboriginal rights of the native people of the north. I wish to add on this particular score that the history of the dealings of the English speaking people throughout the world with native people, while it is in part a record which is not universally good, nevertheless has always been one of practicing understanding of the native people. This practice has acquired the status of a tradition, almost a law, by which the natives have rights. The lands belong to them until they are taken away by act of Parliament or negotiation. This course was followed in so far as the lands between the west shore of Lake Superior and the Rocky mountains were concerned. A number of treaties were entered into. Those treaties were specifically enacted for the purpose of acquiring the rights and title to those lands from the Indian people. Concessions were made, although they were most inadequate. These treaties were never honoured. The people of this country have this on their conscience and they should be concerned about it. At least, in those cases, the government went through the form of executing a treaty.

For a large part of the Northwest Territories, there are absolutely no treaties. The minister shakes his head. I admit that one of the treaties did cover the southern

part of the Mackenzie district, but that treaty was negotiated outside of the territories. At that time there was not the distinction that exists today between the territories and the provinces. Because of that, the treaty included some of the areas of northern Canada.

If pipelines are built in the Mackenzie valley, they will be built under circumstances which at the present time do not take into account the legal and moral rights of the native people of northern Canada. That is the smallest part of the problem. What about the rights of these people to the minerals, lands and forests? I suggest it will lay heavy upon the consciences of the Canadian people, including the members of this House, if this pipeline is constructed before negotiations being entered into take place with the natives. This problem will be settled only when there have been conferences and discussions, not the kind of consultation in which we say to the Indian people that this is what we are going to give them. There should be prior, reasonable consultations and ultimate agreement. If we do not do this, we will have something on our consciences for a great many years.

Mr. Chrétien: Will the hon. member permit a question?

Mr. Baldwin: I would not mind, Mr. Speaker, but my time is exceedingly limited. Maybe the House will grant permission later.

Mr. Chrétien: We will give you the time.

Mr. Baldwin: I am willing, Mr. Speaker, if the House agrees to grant me extra time.

Mr. Chrétien: In order to save time, Mr. Speaker, I want to ask the hon. member whether he is aware that the Indians of Canada have formed a committee on Indian rights. This committee is financed by the government. It is now looking into this question.

Mr. Baldwin: I am aware that the government, pressed by the opposition, has granted an opportunity for the Indian people to press for their rights. However, they have asked for their rights and they are not getting them. This is what we are complaining about.

Some hon. Members: Hear, hear!

Mr. Baldwin: I only have a few minutes left, Mr. Speaker. I want to go into the matter of the extent to which the north may redevelop that which we have almost lost, the spark of individuality. I wish to quote a statement made by John Buchan at the time of the commencement of World War II. At that time he visited the Peace River in his capacity as Governor General. I had an opportunity to show him some of the places of historical interest, including the place where Alexander MacKenzie spent the winter of 1791. He intended to write a historical novel dealing with the north, but death intervened. I wish to quote a statement he made shortly before his death. He talked about the Peace River pioneer. This statement can now be widened to cover the pioneers all over the north. I quote:

> He is wholly secure, he possesses his soul, he is the true philosopher. He is one of the few aristocrats left in the world. He has a right sense of the values of life because his cosmos embraces both nature and man. I think he is the most steadfast human being now alive.

I am glad to represent people like that, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Lewis: Not to mention the fact that you think you are like that.

Mr. Baldwin: No, no, Mr. Speaker. We repress the individual at our peril, and we tamper with him to our great danger. We erect monolithic and gigantic imitations of the prehistory hunting band, the earliest example of the human herd, which are dedicated to the initiation and enlargement of the welfare state. In the end, we will find, as we are beginning to find now, that no such state can continue to exist without some form of police power to enforce conformity.

I do not know whether the exception will always prove the rule, but certainly it has been our experience as a nation that men at war, fighting for survival, will tighten their social contract, renounce individual demands, and exist as a single group. The quality of the group, not the distinction of the individual, then becomes a criterion for survival. Thinking of the individual as the product of the north and the north as a place which can generate individualism as we used to know it, some people conceive of the individual as the ancient reality and society as the human invention. I cannot accept this. It seems that the social order, with its rules and regulations, alphas and omegas, territories and hierarchies, has been the evolutionary way. Surely, it was the individual who created our civilization. It was certainly the individual who created the north. He went in there on his own and created what we have at the present time. This can be seen if we look back over closely recorded history and check out the contributions which have been made. For this reason in many parts of this country, certainly the north, we must make elbow room for individuality.

I realize that it is fashionable today to accept violence, aggression, crime and related phenomena as the product of the individual. There is a limited element of truth in this. However, when we examine our history, are we not entitled to say that the aggressive self-assertive tendencies in the emotional life of the individual are less dangerous to the species than the integrative tendencies of group society? Certainly, the number of victims of individual crimes committed in any given period of history cannot be compared to the masses who have been sacrificed in the name of a religion, a dynasty or a political system. And so, while we desire to redirect our trinking to provide far a better use of our resources, to deal with the question of taxation so that taxation may be used as an instrument of incentive, not as a weapon to blunt the initiative of individuals in the north, while we wish to establish a blueprint for development leading to a greater use of manpower in the processing and refining of our resources, and while provision must be made for consequential transportation facilities, to my mind the human resources which can be accommodated and shaped on the anvil of the north, rank highest, for it is

toward a reacknowledgment of the virtues of individualism that the north must be adopted.

• (3:30 p.m.)

Mr. David Lewis (York South): Mr. Speaker, I am not an expert on the north, but two or three experts in my party have insisted that I say a few words at the outset of this debate, so I have agreed to do so.

Mr. Stanfield: You will soon become an expert like me.

Mr. Lewis: I can say to the Leader of the Official Opposition (Mr. Stanfield), I am learning I have to know a little something about every aspect of Canada, and I shall be participating in debates on that basis.

An hon. Member: A good idea.

Mr. Lewis: I want to take an entirely different road from that followed by the hon. member for Peace River (Mr. Baldwin) because I do not believe the situation we find in the north today is the result of action by this government alone. It is just as much the result of a vision which the right hon. member for Prince Albert (Mr. Diefenbaker) had some years ago, and what he tried to do. Indeed, it is the result of decades of a certain type of approach to the north.

What disturbs members of my party is not so much some of the details involved in this approach as the fact that the traditional attitude to the resources of the north has been the same as has been shown toward the resources houth of the north, if I may put that way, namely, a greedy and reckless desire for exploitation, a greedy and reckless depletion of non-renewable resources for very little purpose other than to ship them out of this country, mainly to the United States. In all of this development in the north, there has been no evidence of any intention to build communities. There has been no adequate concern shown for the native population over the years, and I am not singling out the present minister or the present government. There has been no adequate concern shown for the environment, no adequate concern for the future of Canada, that is whether or not some day we may need the resources we are now so anxious to yank out of the ground. There has been no adequate concern shown for the needs of the world, really. We simply cannot wait to exploit these non-renewable resources and sell them to the one country in the world which uses up by far the largest proportion of the planet's natural resources, necessarily to the disadvantage of newly emerging countries who will need them badly in a little while. And we are doing this without any thought, it would appear, for its effect on the increasingly serious problem of foreign ownership in this country.

The wealth with which we have been endowed, not only in the Yukon and Northwest Territories but in regions to the south, is now to be recklessly exploited by large corporations with financial assistance from the government, to no social purpose which is evident to anyone who has studied this subject—and I have studied it a little. Why are the government and the Official Opposition so anxious that all this exploration for oil, minerals and gas should take place?

Mr. Nielsen: Do you want to keep the north in a deep freeze?

Mr. Lewis: Not at all. If the hon. member would wait awhile, perhaps I can enlighten him. I shall certainly try. What are we seeking to accomplish? Does the minister know what he is trying to accomplish? Does anyone in the government, or even the department, know what is the long range plan? Is it intended that the population in the north should be increased, and if so are plans being made for that situation? Is it intended that the native people are to be employed? If so, are they to be suitably trained? Is it intended that the resources which are exploited should be used for any other purpose than shipment south of the Canadian border? In the course of a fair amount of reading in the last 24 hours I have been unable to discover any long range plan. It appears we are simply anxious to invite every corporation in a position to do so to accept the benefits and incentives provided by the government, to enter the north, endanger the environment and do all the other things I have mentioned, without purpose in terms of the future of this country or, indeed, the future welfare of the world.

Take the question of concern for the natives. The hon. member for Peace River (Mr. Baldwin) rightly insisted that one of the first things to be done is to settle the claims of the native people in the northern regions. It seems clear that they have rights to the land and its resources. Some machinery must be set up to deal with these claims, and not merely a committee to discuss them, but a body authorized to take steps to settle them. As the minister well knows, both the House of Representatives and the Senate of the United States have bills before them at the present time in connection with this subject. I believe they are now in the hands of the joint committee whose function it is to reconcile legislation introduced in each of the two houses. These bills seem to suggest payments to the natives of Alaska amounting to well over $1 billion besides large tracts of land which would be granted to them for the future. But I have heard no suggestion that consideration is to be given to aboriginal rights of native people in the Canadian north.

In turn, now, to consider our record as employers in the north. I cannot see how the minister or anyone else in Canada can help feeling ashamed of this. In all the mining operations in the Northwest Territories and the Yukon, only about 4½ per cent of the employees are drawn from the native people.

Mr. Nielsen: Less than that.

Mr. Lewis: I think it is a little less than that in the Yukon and a little more in the Northwest Territories. And over the two territories, according to one expert from the minister's department, the average is about 4.5 per cent. The proportion of native people to the total polulation in those two territories is close to 50 per cent—some 23 per cent in the Yukon and about 60 per cent in the Northwest Territories. The population in the

latter area is, of course, considerably larger than in the Yukon. So although the native people account for almost 50 per cent of the population in the north, only 4.5 per cent of them are employed in these mining companies.

• (3:40 p.m.)

When the private corporations were asked in a survey made by two gentlemen, one of whom was from the minister's department, as to why the mining corporations employ so few native people, one of the answers was:

The point is made that the industry is not able to shoulder the cost of training or developing the Indigene—

That is a word I have not seen before and which makes me shudder, but I suppose it means someone who is a member of the indigenous population.

—that this role belongs to the public sector and that only when the public sector raises the indigenous labour force, both in training skills and job attitudes, to the required level are they more likely to fit into the industrial environment.

Mr. Chrétien: You should read some of my speeches on this.

Mr. Lewis: I have read the minister's speeches, and without intending to be anything but complimentary may I say he is as brave in his speeches as anyone I have known, as forward looking in his words as many people I have known, and as backward and inadequate in his actions as many ministers who have occupied his portfolio before him. The fact that he makes speeches about this does not change the situation; the situation remains the same.

Mr. Chrétien: Not true.

Mr. Lewis: The minister says that is not true, but let him wait a moment for I shall have more to say about his own department. We give incentive grants and very large tax exemptions to these large corporations which make a very considerable profit, yet they are not prepared to spend any money on upgrading the education and skills of the native people. We, the people of Canada, have to do this for them out of the public purse; otherwise these companies will not employ any of the native people.

Mr. Chrétien: Is the hon. member aware that in the last agreement we signed with the industry to develop resources in the north we put in clauses to force them to hire native people?

Mr. Lewis: I have seen those clauses—

Mr. Chrétien: Then mention it.

Mr. Lewis: —and I am glad to mention it; and I shall be very glad, after these agreements have been in force for some time, to examine the situation three, four, five years from now. I take such clauses at their face value. I have had a little experience in this world, and the fact that there is a clause in an agreement does not satisfy me or dampen my fears or doubts. These corporations have had a way all through their existence in Canada of finding loopholes in any clause in almost any agreement. Until I see the result and effect of the clauses in the agreement, the minister is not going to raise my hopes by saying that the department has found some words to put into the agreement. I bet you dollars to doughnuts that sooner or later the department will find some way of saying to the corporation that if they cannot find skilled labour in the north they should find it somewhere else.

Mr. Chrétien: The problem is that it is the unions who support you who object to that.

Mr. Lewis: If the minister wants to engage in that kind of argument I shall be pleased to join him, but I know of no union supporting either me or my party that is standing in the minister's way. If the minister refers to the fact that a good many unions in the north have rigid rules that make this difficult—and I condemn and criticize that as readily as he does, though if I were in his place I would be a little ashamed to use that as an excuse for inactivity by his department over many years—then the unions are not a law unto themselves and their rigid rules can be dealt with in the north as they have been dealt with elsewhere.

Mr. Nielsen: The problem lies with the minister's bureaucrats.

Mr. Lewis: If the minister and his bureaucrats, referred to by the hon. member for Yukon (Mr. Nielsen), have any ideas on how to overcome this particular obstacle that is created by the rigid rules mainly of the construction unions—and, by the way, let me inform the minister, if he does not already know, that these are not unions which by and large support either me or my party—then he will have support from my colleagues and myself in making these rules reasonable ones. So let him not take refuge in that kind of excuse which does not meet the general situation.

The fact is that nothing important has happened to improve the employment opportunities of our native peoples. The minister has made the statement that by 1977 he would like to see people from the north constitute 75 per cent of the total work force employed there by his department. In a story that appeared in the *Globe and Mail* on January 26 of this year the following appears:

Northern Development Minister Jean Chrétien's prediction that 75 per cent of government employees in the Northwest Territories would be native northerners by 1977 won't be realized, officials say.

"The matter is being reviewed by an advisory commission on northern development," a Chrétien aide said yesterday.

A little further on in the story reference is made to the proportion of native people employed in his department in 1961, which I have calculated to be about 20 per cent. Then, the article continues:

A federal official said the percentage of native northerners now employed has changed little.

Mr. Nielsen: That is in the Northwest Territories.

Mr. Lewis: The percentage in the Northwest Territories has changed little. If that is not true the minister will have an opportunity of contradicting it, but this is the story that appeared in the January 26 edition of the *Globe and Mail* put out by the Canadian Press, and according to information received from other sources this

is true. I notice that the minister is now quiet because he finds he cannot blame the unions or anyone else. The fact of the matter is that in ten years there has not been any improvement in the proportion of natives in the employ of his department in the Northwest Territories.

Mr. Chrétien: Mr. Speaker, I rise on a question of privilege.

Mr. Lewis: Or there has been no improvement of any consequence.

Mr. Speaker: Order. The minister is rising on a question of privilege.

Mr. Chrétien: Mr. Speaker, I think I should like the hon. member to be a bit more factual. In the Standing Committee on Indian Affairs and Northern Development this morning I outlined the position to the members of that committee and they said there was a hell of a big improvement. We went from 700 in my department—

Mr. Speaker: Order, please.

Mr. Chrétien: —to almost 2,000 in two years.

Mr. Speaker: Order. The minister does not have the floor. This is not a question of privilege but a point for debate. I assume that the minister will have an opportunity to take part in this debate, at which time he will be able to give his interpretation of the facts.

Mr. Lewis: Mr. Speaker, I am sure you were tempted to say what a hell of a point of privilege, in answer to the language used by the minister. The improvement is still picayune despite what the minister says; and the fact that this has occurred in the minister's own department shows some of the difficulties that are in the way.

I think it would be much better for the conscience of this government and of this parliament if the minister were to tell us about the difficulties that are in the way, and if the minister would indicate the amount of money his department is willing to put into the necessary facilities to upgrade the educational skills of the native people in order to enable more of them to be employed both by private corporations and government departments. We must not forget that government departments are very large employers of labour.

I used the term the other day in another context "mincing steps of progress" in regard to our native people. By now we ought to have taken giant steps of progress. Every time we pick up a report by a member of the minister's department, a journalist, student, professor or what have you, who has made a survey of the situation we see the same situation, namely that the use of native people in the exploitation of our resources in the north has been very small indeed. Have we made a study of the need for all these minerals, oil and gas that we are now looking for in the north? Are these reserves required in Canada or elsewhere outside of the United States of America? Has anyone made a study to make certain what would happen 5, 10, or 20 years from now if we had these reserves for sale at that time when the needs of the United States will be a great deal more stringent and the needs of the other parts of the world will be serious? Have we made any study at all? I suggest to you that we have not. We have a large tract of land with which this country is blessed. Everyone expects there are large reserves of minerals, oil, gas and other riches, so, we simply invite people to break open the land and pull out the resources without any plan or study whatsoever.

• (3:50 p.m.)

The hon. member for Duvernay (Mr. Kierans) was saying things which I think I could claim, without any arrogance, our party has been claiming for many years now.

An hon. Member: You can have him.

Mr. Lewis: Someone said "You can have him". I always knew how easily the Liberal party sloughed off those who disagree with it, and I sometimes admit that with a little envy.

An hon. Member: You will never get power that way.

Mr. Lewis: I want to say to the hon. member for Duvernay that he is right when he points out to us that large amounts of capital are now being sunk into mineral, oil and gas exploration and exploitation and are being wasted. The only real justification for going at these resources now in any part of Canada, particularly the part over which this government has jurisdiction, is to build around these resources complete industrial complexes. We should not only take the resources out of the land, we should be building processing, smelting and refining plants, and building within reasonable economic distance necessary secondary and tertiary manufacturing plants, so that around these resources in Canada's land we are building all the various industrial complexes for which the resources should be used.

In that way only can we build communities up north that are viable and lasting. In that way only can we have a permanent type of security for the native people and the other people who make their homes in the north, and in that way only can we have what the hon. member for Peace River was talking about, the development of more of the individualism he suggests the north produces. I am sure he is right. In this way only can we attract more people up there. This is the only way we can build cities in the north of greater size, of viability and lasting usefulness to the people concerned rather than little cities populated with hippies as the Prime Minister (Mr. Trudeau) suggested some time ago. That was a pretty meaningless and typical Prime Ministerial statement, or the kind of statement made by this Prime Minister.

Merely to pull the riches out of the ground and ship them away to the United States, as we do now, will mean that not only are we shipping our resources out, we are shipping thousands of jobs out of this country. We are making it impossible for this country to develop the larger industrial requirements which can meet the needs of the world as well as of Canada. We are making it impossible to plan for the real development of the north

which needs population as well as drills, machines and equipment. If you are not concerned about building the north with people, then of course these corporations will do it for you. They do not need very many people to pull the riches out of the ground and ship them out. That does not require very many people. That does require, as pointed out by the hon. member for Duvernay, very large capital but not many workers.

If we are thinking of developing and building the north in community terms, not only for the native people and other people who are there, but for the people who can be attracted from the crowded cities in the south because of a particular kind of life that many people in the south might prefer, then we are talking of the kind of planning I have been suggesting. That kind of planning will not take place if we merely hold out carrots to the large private corporations, well over half of which are foreign-owned. More than 60 per cent or 70 per cent of the area involved is being exploited by foreign-owned corporations, mainly from the United States, although not exclusively so.

This will all require public investment, public control and public planning. It will require the kind of Canada development corporation the NDP has proposed, with a large funding that the minister and his associates could then use if they had the imagination and the will to do so. They could then develop the riches in the north for the benefit of Canada, the Canadian people and for the development of much larger populations in decent, modern communities in the north. It is only in this way we will get to the point of moving self-government for the Yukon and the Northwest Territories out of the talking stage and into reality.

Mr. Nielsen: How could it when the public would not be controlling it?

Mr. Lewis: Let the hon. member for the Yukon (Mr. Nielsen) not become so worried, because I am not talking about all this being controlled from Ottawa. If the hon. member for Yukon would stop being a lawyer for large private corporations, he would if I had the chance, with his great skills as an advocate and a lawyer, he could become a lawyer for some public corporations doing some good for the north which he represents rather than those private corporations he now represents.

Mr. Nielsen: That's not nice.

Mr. Lewis: I do not always try to be nice, I try to be exact and that sometimes is not the same thing. At that point we could talk about self-government for the Yukon and the Northwest Territories. This would be more realistic because the communities would be larger and self-sufficient, and we would then have a leading area in Canada in terms of human welfare in this country.

Mr. Nielsen: I rise on a question of privilege. Let me assure the hon. member that I would give up my corporation practice and trade places with that hon. member who is a wealthy labour lawyer.

An hon. Member: Touché.

Mr. Lewis: I would not say touché at all. I was going to say something rather silly but perhaps I should not. If I exchanged positions with the hon. member I feel certain I would be better off, but I do not know anything about him and he knows nothing about me. I have not been practising labour law since I was re-elected in 1965, except in little driblets, so my friend does not have to worry about that.

In short, let me repeat what I commenced to say and then I will sit down. Our concern is not merely with the details, which will be pointed out during the debate and have been pointed out already, but with the general approach to the subject. We are concerned about the reckless and greedy exploitation of resources without any plan for the north, the native people there or for Canada as a whole. Let me express my convictions that five years from now, when a debate on this subject takes place, we will say the same things about each other because, relatively speaking, the position will still be that the large private corporations will be making a killing out of the north and that the native people and others in the north, as in many other parts of Canada, will be getting very little in return for the exploitation of Canada's rich resources. I therefore plead with the minister that he pay some attention to the over-all long-term program, and tell the House and the people of Canada whether he is merely interested in depleting the resources or that he and his government are interested in building a permanent series of communities where Canadians can live in comfort, dignity and in pride.

• (4:00 p.m.)

Therefore, in order to make clear what we have in mind and in view of the fact that I find it a little difficult to understand precisely what kind of policy the mover of the motion had in mind, I move:

That the motion be amended by deleting all the words after the words "that appropriate policies be adopted" and by substituting therefor the following words:

"which would take into account environmental dangers, the problem of foreign ownership, the future needs of Canada, and the basic and prior rights of the native inhabitants of the Territories, including their claim for a settlement that would recognize their rights in the land of its resources".

I move this amendment, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles), because the motion as proposed merely talks about bringing about such development in that region, without enumerating the elements which are of importance. We thought it would be useful to set out the elements the policy ought to have.

Mr. Nielsen: You left out the other inhabitants of the north.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, our country's wealth, importance and size offer us in fact endless possibilities. We are all aware of the huge potential of these vast territories in Northern Canada. Unfortunately, it is quite true that the present government has spread

confusion and delayed progress as is mentioned in the motion now before us.

Hesitations and delays have jeopardized the successful start of development in this vast region. It even seemed, at one time, that our powerful neighbours to the South were enjoying so much powers that the very unity of our territory could be involved.

So I agree with the non confidence motion which in part reads as follows:

—condemns the government for its failure to promote a truly Canadian strategy for the North based on human capital and natural resources,—

As long as we fail to apply the basic and elementary principles of a sound economy, we will always meet with difficulties of all kinds which too often become insuperable obstacles.

The appropriate programs which would cause such a development to take place in that area, as recommended in the motion, cannot be but of an economic character.

Needless to say, I take into consideration the preservation of the rights and privileges of the native Indians and Eskimos, this being but one aspect of the overall respect for the human individual.

But, Mr. Speaker, with your permission, I shall dwell a little longer on the economic aspect of the problem raised by northern development. An adequate financial policy would first determine the true viable potential, taking into account the existing natural resources and the human resources required for this development. The actual potential or actual credit of the area could be determined and converted into banking credit by way of our own Bank of Canada.

If we could start off from this elementary principle of issuing the credit we need to develop whatever is physically apt to be developed, most of the difficulties would dissolve. We have been saying for years and we are still saying more forcibly and vehemently than ever that for us the time has come to take a hard look at the possibility of placing credit in the service of Canada's development and particularly in the service of the development of these immense undeveloped regions which constitute the Canadian north. These areas could contribute greatly to the welfare and progress of all Canadians.

It would therefore be important to try precisely to use interest-free loans from the Bank of Canada for the development of these tremendous natural resources of the great northern territory, which are either underground or lying on the surface.

Mr. Speaker, one cannot object, in my opinion, that this is the same old story, and that we think we can solve all problems by saying: Let us use the Bank of Canada!

Mr. Speaker, when something is true, even if its authenticity and profitability have never been fully tested, it remains true, and we can always think better of it, at a given time, and apply it as we would wish, as an increasing proportion of the Canadian people would wish.

So, Mr. Speaker, if we eliminate this problem of capital investment, as far as northern development is concerned, by using the credit possibilities of the Bank of Canada, we could give more time to the consideration of programs, engineering works and their consequences on the native population of these areas. We could, in other words, carry out much more profitable, efficient and humane work, if we were not so concerned with that big problem of capital investment.

We are all aware to some extent, as I said a while ago, of the development possibilities in the Far North, especially of the inexhaustible oil resources. However, we would have again to consider the development of those oil resources in a way that would benefit the citizens of this country. One overriding concern should dictate every agreement and progress in this regard, namely that it must be really useful not only to the people of these regions, but to all Canadians, and this constant care which should be ours, would, in my opinion, allow for the harmonious development of these regions, for the greatest pride and the greatest good of all people in this country.

The development of all the other mineral resources, the importance of which is not exactly known to us, might result in a true expansion which could only please all Canadians.

The motion now before us, says that the government has failed in its task in this regard, and I think we have to admit that it is quite true. While proper ways to bring about the striking development of these resources are not yet quite settled, it is to be concluded that this is due either to a lack of foresight or to a lack of planning or simply, to a lack of leadership from this government.

Mr. Speaker, we hope very strongly that it will be possible at last to have the whole population enjoy the advantages provided by such a rich, such a vast country as ours; we hope all this wealth from the North will benefit Canada as a whole, while enabling Canadians to have a better life.

• (4:10 p.m.)

[*English*]

Mr. R. J. Orange (Northwest Territories): Mr. Speaker,—

Mr. Baldwin: You are not under oath.

Mr. Orange: Pardon? Naturally, I am delighted to have an opportunity to participate in this debate, and to talk about the part of the country that possibly I know best, the Canadian north. I commend the opposition for brining forward this non-confidence motion because I have no doubt that when the debate is concluded the people of Canada and this House will recognize the work done and the progress made in the Canadian north as a result of the policies of the government.

Had I the right, which I do not, I would like to amend this motion to congratulate the government on its pro-

grams and progress, and to urge it to accelerate what it has been doing in the Canadian north. Any of us who have read the motion can only wonder what the opposition was really proposing to say or do. The first sentence reads:

That this House believes that an enlightened program of human and economic progress for Northern Canada offers great opportunities for the people of this country—

That is obvious, Mr. Speaker. It is like motherhood. Then, the sentence continues:

—and that the economic and social policies of the present government have brought about confusion and delayed progress—

Surprisingly, Mr. Speaker, the hon. member for Peace River (Mr. Baldwin) was the kick-off speaker for the opposition. I thought it would have been the hon. member for Yukon (Mr. Nielsen) who, in my view, has probably forgotten more about the Canadian north than the rest of his party will ever know.

Mr. Nielsen: Thank you.

Mr. Orange: What did the hon. member for Peace River say was wrong? He did not say a word about that. He dwelt on past glories of days gone by "when we were in power and we had a vision of the north."

Then, the motion reads:

—and that it is essential to make appropriate changes in our approach in respect of Northern Canada;

I listened attentively to the lead-off speaker for the opposition, the hon. member for Peace River. I am sorry to say that I must have fallen asleep when he suggested changes because somehow or other I missed any changes or new policies suggested by him on behalf of the Official Opposition.

Mr. Nielsen: You wouldn't recognize a change if it came back from the laundry, Bud.

Mr. Deputy Speaker: Order, please.

Mr. Orange: Then, the motion continues:

And this House condemns the government for its failure to promote a truly Canadian strategy for the North based on human, capital and natural resources—

And this is the key

—and urges that appropriate policies be adopted at once that will bring about such development in that region.

The hon. member, Mr. Speaker, did not suggest one change in policy.

Mr. Baldwin: On a question of privilege, Mr. Speaker; I hate to interfere with this well documented and reasonably articulated speech but I must point out that fully 30 per cent, 35 per cent of my speech was dedicated to that part of the proposition. I will send the hon. member a copy tomorrow and underline those parts.

Mr. Orange: I won't argue with the hon. member for Peace River because I did hear him say something about the Bennett dam. I will give him credit for talking about his province and about native people, but he seemed to indicate that the native peoples of the Northwest Territories are not all covered by treaties, which they are.

Mr. Nielsen: No, they are not.

Mr. Orange: Yes, they are.

Mr. Nielsen: Eskimos are Indian people. The Supreme Court said so.

Mr. Orange: Let us review the record of the government's accomplishment in so far as the development of the Canadian north is concerned. Back in the period 1958 to 1962, a proposal was advanced by a former deputy minister of northern development and Indian affairs to the effect that the Northwest Territories should be divided into two separate territories, one to be administered from Yellowknife and one from Ottawa. To give credit where credit is due—

Mr. Nielsen: Gordon Robertson.

Mr. Orange: You know who it was, as well as I do. This proposal met with a bad reaction from the people in the north so it was abandoned, for which members of the opposition deserve a great deal of credit.

Following that the Carrothers Commission was appointed, one of its terms of reference being to recommend to the government a political organization system for the people of the Territories. That Commission made its recommendations, and this government has taken action on them. On previous occasions in the House I have mentioned the action which has been taken by the government in respect of the recommendations of the Carrothers Commission. However, it may be useful to review a few of those recommendations once again.

The Carrothers Commission recommended that in no way should the Northwest Territories be divided. The government accepted that recommendation. The Commission recommended the establishment of a capital in the Northwest Territories, with the transfer of public servants from Ottawa to the Territories to administer provincial type activities.

Mr. Nielsen: Colonial.

Mr. Orange: You will have your turn.

Mr. Nielsen: I am sorry I said that word.

Mr. Orange: Subsequent to that, the Territorial government has been established, which is completely responsible for provincial type functions throughout the area. As an illustration, I mention that within the last week or so there was a disturbance at one of the correctional institutions in the Territories. Only two, three or four years ago that would have become an issue on the floor of this House, with the Minister of Indian Affairs and Northern Development (Mr. Chrétien) being asked what he intended to do to take corrective action. But now, because that institution comes under the responsibility of the Commis-

sioner of the Northwest Territories and the Council, this is all a local matter. This indicates one of the advances that have been made.

Mr. Nielsen: The minister is still responsible.

Mr. Chrétien: We can always delegate when we have good people.

Mr. Orange: In 1963, there were four elected representatives on the Territories Council and five appointed representatives. Over a period of seven years the number of elected members has increased by 150 per cent, from four to ten. All of the people in the Territories now have a territorial franchise, something they did not have six, seven or eight years ago.

As a result of the activities of the Territorial government, we have seen the development of local government in the Territories. People in the towns, villages and hamlets now have responsibility for managing their own affairs.

• (4:20 p.m.)

Mr. Nielsen: You don't believe that.

Mr. Orange: Go and take a look for yourself.

Mr. Nielsen: You can't believe that.

Mr. Orange: I know you can't. You are backward in the Yukon; you have not got that far yet. Mr. Speaker, local government has brought to the citizens the knowledge that they can participate in the decisions of the government.

Mr. Nielsen: Subject to the minister's will.

Mr. Orange: It is unfortunate, Mr. Speaker, that all the people on the other side who are so knowledgeable have not had an opportunity to see some of these councils in action, taking total responsibility for their own activities, with their own budgets. I think they would be very impressed with the advance of democracy throughout the territories.

Regarding housing, upwards of 2,000 homes have been built for the Eskimo people since 1956, thus taking them out of tarpaper shacks.

Mr. Comeau: It is not enough.

Mr. Boulanger: It is a darned good start from what you did from 1958 to 1962.

Mr. Orange: My friend across the way, who has a penchant for interrupting in areas he knows nothing about, should realize that this program has brought adequate accommodation to every Eskimo family in the territories. I am sorry I have not got the figures on Indian and Métis people, but I suspect they are comparable. I defy anyone to say that our education system in the territories is not as good as any in southern Canada. We have a program of integrated schools going back to the early fifties.

Now, I should like to give a few facts in the area of health. Since 1966, 22 nursing stations have been built to serve Indians in the territories, three old nursing stations have been replaced and six have been expanded. Four health stations have been formed to accommodate small communities and a new hospital has been built this year at Fort Simpson. By the end of this year every community with a population of over 100 persons will have a nursing station staffed by professional nurses.

Mr. Chrétien: It is better than southern Canada.

Mr. Nielsen: It is wonderful what government can do.

Mr. Orange: In the area of justice, Mr. Speaker, a few years ago we had a judge, a police magistrate, and an inadequate system for justices of the peace. All were directed and administered from Ottawa. In the press releases issued by the Minister of Justice (Mr. Turner) since receiving the report on the administration of justice in the Hay River area, which dealt primarily with the administration of justice throughout the territories, it is indicated that virtually all the recommendations of Mr. Justice Morrow have been implemented. There is now a local department of justice and functions formerly carried out by Ottawa are now the responsibility of the commissioner and council of the Northwest Territories. Recently, the number of police magistrates has been increased by 100 per cent.

Mr. Nielsen: You have a good sense of humour, Bud.

Mr. Orange: This means that the federal government has turned over the reins for the administration of justice to the territorial government.

I listened to the remarks of the new Leader of the Democratic Party (Mr. Lewis). I admire him for the fact that he admitted he was not an expert on the north. Very few people who put a foot inside the sixtieth parallel, or who have read a book about the north, have not formed all sorts of opinions on what should or should not be done. However, Mr. Speaker, I did find his remarks somewhat ambivalent. I do not know whether he wanted to keep the north in cold storage and put everybody back in the igloo, whether he wanted to build satellite cities and let the resources come to the cities or whether he was trying to demonstrate what appears to be anti-Americanism. I was concerned about his confusion and I hope he can unravel it because I think some of the ideas of his party could have an influence on the development of the Canadian north. The idea of building the cities now but not developing the resources is not sound. You have to go where the resources are before you can put up the buildings; it is that simple.

Having been kind to the government up to this point, I think I must now mention a few things to encourage the government to continue in its present direction. We should start with Treaties 8 and 11 and aim at a dialogue between the Indian peoples of the Northwest Territories and the government regarding the unfulfilled provisions. Basically, these unfulfilled provisions relate to land rights. Within the treaties there is a provision that a certain tract of land would be granted to every Indian family, and the size of the tract would depend on the size of the

family. Time and time again the Indians have said that they do not want to be put on reserves. They have said that so long as the sun rises in the east and the Mackenzie River flows to the north they want the right to hunt and trap throughout their land. The government and the Indian people of the territories must discuss this problem. The government must also soon talk to the Eskimo people about aboriginal rights and about the fact that the land traditionally used by the Eskimo people for hunting is now being used for other purposes.

I acknowledge that in some ways the government is responsive to the concerns of the Eskimo people. We have the example of Sachs Harbour where last year the trappers were concerned about the proposed seismic surveys. The government and the oil companies, under the direction of the minister, sat down with the people concerned and worked out a solution. Another example in the last few days has been the problem which the people of Coral Harbour brought to the notice of the department. Officials were despatched to the north to discuss it with them and today I received a telegram to the effect that an agreement had been reached.

Another area where I think the government must press forward is that of economic development in terms of the operator of a small business, such as a gas station or theatre. I do not understand why we have all sorts of designated areas in Canada where grants are available and yet the program does not apply north of the sixtieth parallel. I do not understand either why it is so difficult for Central Mortgage and Housing Corporation to provide a loan to the individual who wants to build his own home outside a serviced community. Nor can I understand why the Industrial Development Bank insists on a high percentage of capital in certain areas.

• (4:30 p.m.)

Mr. Nielsen: Parliament controls CMHC.

Mr. Orange: Mr. Speaker, may I refer to what I was saying about the Industrial Development Bank; I have spoken about those things which will encourage and promote the development of the Canadian north.

Mr. Boulanger: This is the best speech that I have heard so far.

Mr. Orange: We must give to the young people of Canada and of the north an opportunity for education. We must provide jobs for them. We cannot just leave the north in cold storage, to be developed at some future date. We must consider the hopes and aspirations of our young people.

Mr. Nielsen: All ten thousand of them.

Mr. Orange: They want to participate in the mainstream of Canadian life. Around Ottawa at any one time there are between 40 and 100 Indian and Eskimo youngsters who are taking educational and upgrading training. I defy anyone to look at those kids and tell the difference between them and other kids on the streets of Ottawa. We must develop within the framework of the policies of government those opportunities that will enable those young people to take their rightful place in the economy of the north. We must look at many things. We have talked about pipelines until they are coming out of our ears. I hope a pipeline comes down the Mackenzie valley. I want to see that pipeline, as do most people of the north. We want to see it because it will mean development for the north and permanent jobs for those involved with the operation of the pipeline. We want to see it properly installed in the ground and we want the environment and ecology of the north to be protected. We do not want the way of life of the people who might be affected to be disturbed unnecessarily.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. I do so to advise him that his time has expired.

Some hon. Members: Continue.

Mr. Deputy Speaker: The hon. member for South Shore.

Some hon. Members: Continue.

Mr. Deputy Speaker: Order, please. I had recognized the hon. member for South Shore. If there is unanimous consent, the hon. member for Northwest Territories will be allowed to continue.

Mr. Bell: Mr. Speaker, this is a limited debate and, although we appreciate the special interest in the subject of some hon. members, I really think that the remarks of the hon. member ought to be limited to the two or three more sentences necessary to finish his speech in an orderly way.

Mr. Orange: Thank you, Mr. Speaker. I thank hon. members for their co-operation. In conclusion may I say that, at this juncture in Canadian history, we ought to seize our opportunity of looking beyond our parochial boundaries. Development of the north will unify us. We ought to develop northern Canada in a truly national spirit. What we do in the north can become an example of the unity of Canada. What we do there will transcend the sort of regionalism too often found in other parts of the country. Northern development can bring together all the talents to be found in Canada. In developing the north we shall also develop the human resources found in this extensive land. The north can become a melting pot of languages and skills as people work directly for the benefit of the entire economy. I believe that the government has done a good job in the north. It has a tremendous responsibility to ensure the orderly and competent development of our north for the people of the north and for the people of Canada. It has that responsibility to the world, especially if we want to maintain our control of the Canadian north.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I do not profess to be an expert on the north but I welcome this opportunity to participate in the debate on northern development and the state of the economy. It is becoming

increasingly evident to everyone except the government that our ship of state has been set on a collision course for the rocks of high unemployment and rising inflation. As we tack back and forth between these two hazards, Captain Trudeau and his crew of inexperienced landlubbers appear to be callously indifferent to the falling barometer of frustration among our people or the rising wind of indignation and concern over present policies among the large and small businessmen of this country.

Mr. Turner (Ottawa-Carleton): I am feeling sea sick already.

Mr. Crouse: Canadians today are calling out for leadership; they are calling for a firm hand at the wheel. Yet, instead of setting a true course, the present Liberal government has our ship of state going around in circles, like a ship without a rudder, subject to the whim of every senior civil servant or economic wind that blows. Without a chart or compass, without even a Kierans or a Hellyer to guide them, the present Liberal government is in a fog, with the Canadian nation wallowing in a sea of uncertainty over the right course to follow.

Mr. Turner (Ottawa-Carleton): Now I am sea sick.

Mr. Crouse: It is for these reasons that we moved the motion on northern development and the state of the economy. The objective of our resource development policy especially in our northern areas, should be more jobs. If Canada processed her iron ore, then jobs would be created right here in Canada rather than in the United States. This is basically the same line of criticism respecting economic policy as voiced by the hon. member for Duvernay (Mr. Kierans) following his resignation from the cabinet.

Just what did that former cabinet minister say in his letter of resignation, as submitted to the Prime Minister (Mr. Trudeau)? Among other things, he is reported to have said, "Canada is fortunate in its resource base and can insist on exports with a higher labour content. Tax concessions that force the pace of our raw material exports or favour the over-employment of capital, which we have to import, at the expense of labour, which is in surplus, would not be consistent with long run Canadian growth and employment objectives." "If Canada is to be an industrial force in the 1980's" he said, "we must be prepared now to husband our resources and to select those areas in which we can be internationally competitive and to manage and invest in the resources, physical and human, that will give us a compelling position." Those are strong words, Mr. Speaker, and it is evident that the former minister is of the opinion that Canadian economic policy is directed too heavily towards the export of resources. He is also concerned that present government tax policies favour investment in new machinery rather than the creation of jobs.

In my view there is nothing wrong with tax policies which favour investment in new machinery, since any company seeking to establish itself in the north must undertake additional expenses. At the same time, however, our tax laws should be amended to encourage new job opportunities through the processing and manufacturing of our raw materials.

It would be difficult to speak on this motion without commenting on the $6 billion hydroelectric project for James Bay recently announced by the Premier of Quebec. This will be the biggest financial undertaking in Quebec's history; yet to date no one has been told how the project will be financed or where the power will be sold. The financial implications of this project are far reaching. I say this because the proposed development will be the largest hydroelectric project ever to be undertaken in North America, and it will have to be financed almost entirely by foreign capital. All Canadians are concerned about the proposed inflow of foreign capital in such large amounts, since that could place further pressures on our dollar. That, in turn, would be harmful to Canada's export oriented manufacturing industry. While it is true that the James Bay project will provide thousands of construction jobs, there is concern about the overal impact of this project on our economy and on our national unemployment problem. Hopefully, this hydroelectric project, when developed, will encourage the processing of more raw materials in Canada, will encourage new manufacturing industries in northern Quebec and will encourage increased productivity at lower cost, for only increased productivity and the economic benefits that it brings will ease our serious unemployment problem.

How serious is this problem, Mr. Speaker? Last month there were some 625,000 Canadians unemployed, representing about 8 per cent of the Nation's labour force. In March, the nation's consumer price index reached 131.3 points, an increase of 1.9 per cent over the index at the same time last year. Spelled out in layman's language, this means that something which cost $100 ten years ago now costs $131.30. Surely, someone in this government could stop long enough between trips from Canada to some foreign country to ask these questions: what brought about this situation? Why have we so many people unemployed? Why has our cost of living reached such fantastic heights? If someone were to ask these questions I feel certain that the answers would be that the government has established wrong policies in the wrong places at the wrong times, and that the Liberal party has been following this course since 1965.

• (4:40 p.m.)

The sad truth is that in this period in which the Liberal party has been in power, Canada has had too much inflation, unemployment and slow growth. Our existing economic policies are not adequately coping with our national needs and problems. These are not my views alone, Mr. Speaker. They are also the views of Mr. John Young, the chairman of the Prices and Incomes Commission, who told the Star Forum, as reported in the Toronto *Daily Star* of March 10, that the country's present level of unemployment results from the inflation which was allowed to develop and persist between 1965 and 1968 and the inability of the experts to agree on a way to cope with it. Who are the experts today, Mr. Speaker? Mr. John Young is one of them. Although he obviously

does not have any of the answers, it appears that neither he nor his staff of bureaucrats have any intention of giving up their jobs, thereby taking the load of their salaries and expenses off the back of the Canadian taxpayer.

When the Progressive Conservative party was in power, we had a policy of northern development. We called it Roads to Resources. What did the Liberals say? They called it a policy of building roads from igloo to igloo. They scoffed and they jeered. Obviously, the Liberal party has never been overconcerned with the development of our northern resources. Ottawa's bureaucrats have shown some interest in the north, but they want absolute control over this area so that they can conduct a vast experiment in state socialism. If this ever happens, all initiative, ambition and development will be destroyed. At the present time we have an example of this condition in our nation. We see the incentive of our people destroyed and all of Canada fast becoming subservient to the state.

Anyone who serves on the Standing Committee on Public Accounts has a better understanding why Canada and bureaucratic Ottawa is in such a mess. I have been here since 1957. For most of those years I have served on the Standing Committee on Public Accounts. I have learned that when a departmental head makes a real booboo, he is not dismissed or demoted. He is, of course, moved, but he will most likely be promoted to serve as the assistant deputy in an old department or possibly as the head of a new department whose activities are only adding to our inflationary problems.

Canada and the present Liberal government are prisoners of these appointed bureaucrats. By the time one of these mandarins has worked his way to the top or accepted a top position, as did Mr. Pickersgill, he has lost touch with the people and the country. Money is no longer the taxpayers' hard-earned dollars, it is something to be spent, and always a little more than was budgeted so that the budget can be increased the next year.

Mr. Baldwin: Too many of them come into the House of Commons and sit on the government side.

Mr. Crouse: Programs are set up, not in terms of what they will do for the people but on the basis of what they will do for the department. This results in continuous infighting among departments for control over certain programs. We recently had an obvious example of this when no less than seven departments were fighting over which would be responsible for administering control over pollution. The Department of Fisheries won the battle.

As a result of this victory, the Department of Fisheries is to be abolished. In the eyes of some civil servants, it is obviously not important. It is to be replaced with the department of the environment which will have approximately 13,000 employees. As no existing building in Ottawa is large enough to house this enormous staff, the mandarins have decided that a new, modern, large building will be built in Hull. While this is being done, the Department of Public Works will build a new bridge from Ottawa to Hull so that the employees can get to and from work on time.

I have no objection to the building being erected in Hull. What I am trying to point out is that Parliament and its elected representatives were never consulted about this development. In fact, when the decision was made to build the new bridge, it was evident from the loud outcries that there had been no consultation with Ottawa city council, Hull city council or the provincial highways departments of Ontario and of Quebec. This was simply a bureaucrat's dream. In their opinion, what the bureaucrats can dream the taxpayers can afford. Once they have made their plans, it is useless to try to interfere. Outside advice is not wanted or tolerated. For example, look at the number of recommendations of the Glassco Royal Commission on government efficiency which never saw the light of day. What happened to the Carter Royal Commission Report on Taxation? Was it completely useless? When it came time for a task force to study Canada's welfare programs, who headed the task force? It was none other than the deputy minister of Health and Welfare who brought most of the old programs into being. Was he going to say that there was a better way?

During a discussion over loans to the CBC in the Standing Committee on Public Accounts last week, Mr. Reisman, the deputy minister of Finance, said that Parliament had approved the loans so they were the responsibility of Parliament. Parliament only hears of these over expenditures by the CBC after they are a fait accompli.

I have said enough to indicate that, in my opinion, some of the rights of Parliament must be restored. If Parliamentarians are to be held responsible to their electorate, a way must be found to give them some voice in the decision making process for it is the decisions presently being made by people who are not responsible to the taxpayers of Canada which in no small way have contributed to the present crisis in our economy and our society.

In my opinion, our economy is in a mess as a result of the clumsy, ham-handed policies of the present government as set out by one of the cabinet's "yes men", namely the Minister of Finance (Mr. Benson). Here is a man whose left hand does not know what his right hand is doing. He is so lacking in mental intellect and moral fibre that he continues to support the left wing policies of the Prime Minister (Mr. Trudeau), the Secretary of State (Mr. Pelletier) and the Minister of Regional Economic Expansion (Mr. Marchand), the three men who rule cabinet and therefore Canada, when his own conscience should tell him that certain right wing policies are required at this time.

Anyone with a basic knowledge of economics, and I hope this includes the Minister of Finance, knows that economic recovery can always be hastened by lowering taxes or by using taxation as an incentive rather than a penalty for growth. However, when this logic is put forward by those of us who would like to see job opportunities provided for our young people as well as some of the 625,000 unemployed who are not so young, the Minis-

ter of Finance says it would be a dangerous action because it would start another inflationary upsurge and bring about the possible imposition of direct wage and price controls.

There has been so much discussion about inflation during the past few years that we sometimes forget that the fundamental condition for the occurrence of inflation is reasonably full employment of our resources. Prices normally rise when the amount of money that people have to spend increases faster than the supply of goods and services on which they may spend it. This is not the situation today. There is excess production capacity and there is not sufficient consumer demand to purchase all the goods and services that can be placed on the market. It seems logical to everyone but the government that what is needed is more purchasing power in the economy. This is precisely what a tax cut will provide. In my opinion, and in the opinion of Mr. Arthur Smith, chairman of the Economic Council of Canada, and other eminent economists, there is absolutely no way in which a tax cut can be generally inflationary in a period of under-employment of resources.

If the government knows of industries or sections within the economy in which there is no excess production capacity, then I believe these industries should be encouraged by tax incentives to locate in areas of regional economic disparity, such as in our northern regions or Atlantic Canada, rather than using the present hit and miss financial handouts as practised by the Minister of Regional Economic Expansion. Employment opportunities, which are now needed, would then be provide in the north and in the Atlantic provinces where chronic unemployment hovers in some areas at 15 per cent of the work force. Whenever tax cuts are suggested as a means of stimulating the economy to bring it back to full employment, the Minister of Finance takes the position that the government cannot afford the loss of tax revenue which is the end result of a tax cut. This, of course, is nonsense.

The very purpose of a tax cut is to stimulate the economy. It should be obvious to even the present Minister of Finance that at a full employment level the total tax revenue will be considerably greater than when the economy is operating approximately $3 billion below its potential. This is the measure of the gap, as estimated by the Economic Council of Canada, between our actual output at present levels of unemployment and our potential output if unemployment had been approximately 3.8 per cent, and a large source of this untapped potential lies in Canada's north.

In fact, the demographic boundaries of Canada lie in a thin band of population 150 miles wide, running along the American border. Above this area, stretching all the way to the Arctic circle, lies a great band of unused Canadian potential. Typical of government economic thinking, no comprehensive development strategy has been articulated for this vast area. The possible returns to this and future generations are immense yet, thanks to the government's ad hoc approach, the Canadian people are not benefitting from northern development. I believe a comprehensive development strategy for the north would assist the southern regions of Canada in their economic recovery. With personal incomes down and unemployment up, the Canadian economy desperately needs a shot in the arm. Development of the rich potential of the north would provide this stimulus. This development must be approached systematically. With a forward-looking strategy, Canada's north could be a great contributor to the over-all attainment of Canada's economic potential.

[Mr. Crouse.]

• (4:50 p.m.)

Canadians must seriously ask themselves how many billions of dollars in lost productivity, in wasted resources, both human and material, they can afford before they make a determined effort to get rid of this government. Obviously the government takes the position that during periods of unemployment taxes must be kept high since there are fewer gainfully employed to supply the total revenue needs of the government.

The government and its policies are outdated and my concern is that the errors which have been made to date may be compounded by the introduction of wage and price restraints which could well be the final straitjacket imposed on Canadians by the Liberals. If this is done, I believe the cure would be worse than the disease. Whenever we criticize the government and its suicidal economic policies we are asked: What would you do if you had the responsibility to act? Well, as I have already said, I believe a tax cut is warranted to stimulate the economy. I also believe that inflationary pressure in the south is caused in part by bottlenecks in the economy. In these areas of the south, stress could be relieved by providing business with opportunities to expand, and an excellent way of doing this would be to make provision for greater opportunities in the northern regions.

A large area of Canada has been classified as the "mid-Canada corridor". In my opinion this area, rich in resources but sparsely populated, should provide the first take-off area for development. Obviously, the Regional Development Incentives Act, as administered by the Department of Regional Economic Expansion, has not done the job it should have done because its purpose has not been developed in the larger context of a northern development strategy. The mid-Canada corridor is a project which calls for a hard second look by the government. We can afford to start development now. In fact, if our potential is not to be lost forever, we must start development of the north now.

In the Ottawa area some economies could be carried out and I believe the Minister of Finance would do well to consider the appointment of an all-party committee of Members of Parliament interested in finance to act as a kind of financial ombudsman in the examination of projected programs and expenditures. There are a number of sacred cows around Ottawa and in my view it is time some of their horns were clipped. Consider the CBC, for example. I do not advocate selling the corporation but it would be interesting to see what would happen if the management of the CBC were to be informed that a deficit of $2 million a week, or $104 million a year, was the largest amount acceptable to the government instead of the $165 million deficit listed for the CBC this year.

Undoubtedly some programs would have to be curtailed, but the $61 million saved could provide a considerable amount of aid to the 165,000 Indian people presently living in Canada.

As I mentioned earlier, the Prices and Incomes Commission and its expensive staff of economists is only window dressing which adds to the load of the taxpayers without solving any of their problems. In my opinion, and in my opinion alone, it should be abolished. In fact, I have grave doubts whether the Department of Consumer and Corporate Affairs established in 1967 can justify its cost to the Canadian people.

In conclusion, I implore this government to seriously reconsider its present policies relating to the north, as well as to the rest of Canada, in the hope that productivity, incentive and even the normal desire to build or expand a business are given some encouragement and result in the reduction of the numbers unemployed. Both unemployment and inflation vie for position as our number one problem. I do not believe we can effectively deal with the other needs of our society until we have shown ourselves capable of solving these two problems.

Mr. Paul St. Pierre (Coast Chilcotin): Since the House is considering a motion of non-confidence, I suppose we must expect members of the opposition parties to be wide-ranging in their criticism of the goverment. This afternoon we have been told that our policies are leading the country directly into the morass of state socialism. That was the view of one hon. member. On the other hand, we have heard that our policies are designed to open the north to rampant, greedy and avaricious capitalists. The criticism being as wide-ranging as it is, there is little room left to me to find new areas of criticism, even if I wished to do so.

An hon. Member: You don't, anyway.

Mr. Baldwin: I have some of my speech left, some more ideas for you.

Mr. St. Pierre: I must say that the tone of doom and gloom with which the previous speaker put his ideas forward reminded me of an old Presbyterian clergyman in the province from which that hon. member comes. Addressing the congregation about their sins, he said: I tell you that you will be up to your necks in boiling brimstone and there will be devils poking pitchforks into you and you will lift your eyes from the smoke and say to the Lord "Laird, Laird, we didna ken." And the Lord in His infinite compassion and mercy will look down on you and He will say "Well, ye ken the noo."

For myself, I intend to deal with only one aspect of this subject, namely, the development of the north and, particularly, the development of oil and gas reserves. I listened with considerable interest to the speech of the leader of the New Democratic Party. I share some of the concern he expressed. I share his concern for the future of the native people as development proceeds, because such development could be damaging. I also share his concern about damage to the environment. We all know this is possible, and if we neglect to take adequate precautions it becomes probable. What bothers me about the speech of the leader of the NDP, as well as other speeches which have been made recently is this—they seem to reflect a counsel of despair.

Because there are risks attached to the development of the north, because there are risks to the environment, because there is the possibility that the native people will not be helped by such development, they seem to argue that the only course to take is to do nothing. They seem to argue that we ought not to seek solutions or attempt to find a secure and positive method of developing the north but, rather, that we should leave the north in cold storage. This is certainly not the way in which we developed the Canadian west and it is not the kind of spirit in which we shall develop the Canadian north, either.

• (5:00 p.m.)

The leader of the New Democratic Party appears to see a considerable distinction between the sale of renewable resources and non-renewable resources. Part of his criticism of northern development appears to be an opposition to the extraction of oil and its sale abroad, specifically to the United States. Apparently in his view there is something wrong with finding oil, taking it out of the ground and selling it. I wish he would explain that to the people of the province of Alberta and of northern British Columbia who have prospered to a very considerable degree from the oil industry.

Admittedly, we cannot export more than our surplus of non-renewable resources, but surely surpluses are for selling. If there is something economically wrong with selling a non-renewable resource, such as oil, gas, coal, nickel and such minerals, does it then follow that it is quite all right to sell renewable resources, such as grain—I suppose the hon. member would agree with this—lumber and pulp which, as long as we do not overcut our forests, are renewable resources? Among renewable resources that could be sold is water. Water is clearly a renewable resource, for as long as the winds blow and deposit rain and our lakes and rivers flow down to the sea, we shall have water. I wonder whether he would favour the sale of water abroad; I doubt very much that he would. I do not think I would myself, even though it is a renewable resource. There is nothing sacred about the words "non-renewable" and "renewable". Decisions must be made in light of current conditions and a reasoned and sensible estimation of what the future may hold.

The hon. member also spoke of the desirability of settlement in the north and the desirability of developing such industries as smelters in the north. Certainly, I could not agree with him more, except that I would point out that in some areas of the north, specifically the Northwest Territories, the sub-Arctic and true Arctic regions, we are faced with conditions that are in many ways very different from those in the south. The suggestion to build a smelter is interesting enough in this regard. Smelters are notorious for the emission of great quantities of pollution into the air from their stacks. I think most hon. members are familiar with the extent to which air pollution is increased by what is called a

temperature inversion. When Los Angeles or Montreal has a temperature inversion in the atmosphere lasting for two or three days, the results are quite noticeable and quite serious.

We should take into account that over much of the Northwest Territories in winter a temperature inversion frequently develops and lasts for a month to a month and a half. Therefore, we may find some developments which, though suitable to the south, cannot be established in the north. I hope there are not but it is possible that there are. In any event, I believe it surely cannot be beyond the ingenuity of our technicians in Canada, or even in the world community, to develop safe delivery systems for oil and gas not only out of the northern mainland but out of the high Arctic.

A great many methods of transport are being considered at the moment for the high Arctic. The northern development committee has heard evidence in this respect from a number of witnesses. To review it briefly, if oil is discovered in, say, the Sverdrup group—and gas has already been discovered on King Christian Island in quantities that would constitute a commercial field if discovered in southern Canada—delivery of oil would almost certainly have to take place by undersea pipeline; by the use of *Manhattan*-type ice-strengthened tankers with icebreaker support; by submarine tankers of 170,000 tons and above operating in open water to Godthab, Greenland, or down to Trinity, Newfoundland, or by what is called a semi-submersible submarine. This is a new idea not yet fully developed which calls for a submarine to operate near the surface with a tall 16-foot steel sail, so-called, cutting through the ice, the ship being capable of submerging and running on a closed circuit, oxygen-breathing diesel system for sufficient time to move underneath the pressure ridges when the barrier of ice is more than can be cut by the sail.

The committee was also informed—and such is the progress of technology that I do not suppose this will surprise members of the House—that it is not inconceivable that delivery of oil out of the high Arctic by air is possible in the foreseeable future. The cost of heavy air transport is down to three and a half cents per ton mile in the United States at the present time. At least one witness before the committee clearly saw the possibility of the cost of air transport coming down to two and a half cents and eventually to one cent per ton mile.

So, if and when a major discovery of oil is made in the high Arctic, and I think most people who have been observing developments up there would say it is a question of when rather than if, we will be faced with the necessity of doing some adventurous engineering and will need some adventurous and very able people in that part of Canada. Hopefully—indeed, we should insist and demand—the people who are most experienced in the high north, namely the Eskimo and further to the south the Indian, should use their very real and practical expertise in the exploratory and development stages. They should be trained as quickly as possible to take over the ever-increasingly technical aspects of the operation. In this respect the more they take over, the better.

However, there is a difficulty we must face both in the employment of these people in the north and in determining how we are going to get the oil out of these islands. We cannot move too far in the preparation of means of transit for oil out of the high Arctic until we have found the oil. Equally, I can see a danger in too hurriedly giving Eskimos and northern Indians specialized training for pipeline work and other technical jobs if we fail to discover oil in the north. It is bad enough that the training of these people for modern society is, with the exception of a few young people, not as advanced as it should be.

We must hope that the people who have to make the decisions are wise enough to chart these two lines so that they cross at the right point. It is important that our Eskimos and northern Indians be given training to take over most of the technical jobs in the north at the time they become available. Their training must begin at a time that will enable them to be ready to take job opportunities that will open for them. If they are not trained in time we face the prospect of southern whites taking these jobs in the absence of a trained labour pool in the north. If their training is given too early, it will be a tremendous and bitter disappointment to them if jobs fail to materialize.

• (5:10 p.m.)

In any event, I do not want to take more time of the House except to repeat a point I made earlier. We should not look upon the north as a parkland we intend to leave unspoiled, because leaving it unspoiled in its natural state will also mean leaving it with a rapidly increasing population of Eskimos and Indians who really do not wish to go back to living in ice houses. They do not want to depend for their living on the Arctic fox. They want what other Canadians want, the right to earn a decent living, to live in homes and decent communities. We cannot accomplish this by sealing Canada at the 60th parallel and leaving an unspoiled wilderness to the Arctic fox.

I favour, and I hope to see, rapid development of the north, within certain limits. There are two severe limits this House and others should be constantly watching. The first is that the rights of native people must be adequately protected. They must be brought into the mainstream of development. The second is that there must be protection for the northern ecology. I thank hon. members for their attention.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, hon. members of the House who participate in this debate, from whatever approach they take, look to this vast sector of Canada, described by cliché and otherwise, as the undeveloped hinterland of Canada. During this generation we are facing a challenge similar to the one faced by our ancestors 100 years ago during the development of western Canada. I am sure the pioneers 100 years ago looked upon the west with the same degree of hesitation Canadians now experience in respect of the development of the north. They must have looked at weather conditions, the lack of transportation, the lack of

habitation, the lack of markets for production and sparse population in much the same way we contemplate the north at the present time. The fact is that the west and other parts of Canada which were not developed 100 years ago have now been developed to a tremendous extent, perhaps not as fast as possible, but with considerable success.

Having experienced that development, knowing of the vastly increased number of people and improvements in technology, we as Canadians would be abdicating our responsibility in respect of the development of the rest of the country if we ignored the north. We have in that part of Canada a great number of indigenous people. There is a grave danger that the north will be developed from the white man's point of view. There is a danger that we will be paternalistic in the development of this part of the country without allowing active native participation.

These people have a long way to go in respect of education and technology. They require assistance. There has been a lack and a neglect over the years. It is more than 10 years now since the vision of the north which was derived by many of our opponents as something revolutionary. It was suggested it meant the construction of roads from wigwam to wigwam and from igloo to igloo. There has been a great deal done since that time, and a certain amount is being done now. This effort will have to be increased. It is not and will never be good enough to merely attempt to transplant the Eskimo part way toward the white man's culture. We cannot think in terms of training these people this century and possibly next century up to a certain point, then abandoning them. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) realizes that there is a danger in this regard. We cannot take these people away from their traditional modes of life, give them a smattering of white man's training along with a lot of his bad habits, and then leave them to fend for themselves. We must take a giant step forward in our policies relating to these people of the northland.

Incentives will have to be provided. I doubt if the northland will develop as a result of natural initiatives. I know very little about the eastern Arctic and it is many years since I was in the western Arctic, down the Mackenzie valley. Development was only beginning when I was there 30 years ago. Yellowknife was barely four years old. It was a small hamlet. Today it is the capital of the Northwest Territories. If we wait for natural development we will wait a long time.

We must provide incentives to encourage people from the southern parts of Canada to develop the north. We must convince people in the more populated regions in the south to expand into the north. This is more important than providing the people there with the pill and abortion on demand; that is not the answer and I suggest it is self-defeating. In this part of Canada there exists a tremendous scope for Canadian development. There are tremendous resources yet undiscovered. Incentives must be provided in order to discover and develop these resources and a proper tax system is the way to accomplish this. We need roads, waterways and airways. I do not intend to refer to railroads at the present time, but this kind of development will take place some time in the future. Already we have reached the shores of Great Slave Lake by rail.

In this regard, the present policies of the government are deficient. We have seen the white paper on taxation, but such a policy would quite frankly kill any incentives for the development of the north. We are slowing down this potential development if we pursue our present philosophies with regard to resource development, and the imposition of taxes on the production of primary resources. There cannot be any differentation between that land north of the 60th parallel and the land to the south. We must treat our mining companies, lumber companies and oil companies on the same basis across Canada. We must not adopt attitudes which will destroy incentives to resource development companies and individuals, including unincorporated syndicates who are interested.

• (5:20 p.m.)

In the past, we have given opportunities to foreigners who enjoyed a considerable tax advantage over our own Canadians in the development of our resources. One only has to look at the late forties and early fifties when Canadians who were trying to participate in the development of the oil industry in Alberta and Saskatchewan were beaten to the post every time, particularly by our friends in the United States whose tax laws were much more favourable. Therefore, I say the policies of the government with regard to tax law and tax incentives in respect of resource development have been wrong. If the government persists in the recommendations contained in the white paper it will eternally condemn the north to stagnation, unless that development takes place through public ownership and public participation entirely. This may suit a number of people, but I suggest the history of our performance in that type of development has been indeed a sad and sorry one.

Let us consider transportation. Yes; there are roads. There cannot be an instant system of highways. There has been a certain amount of work in this regard but more could have been done. Then, there are such things as aids to navigation along the Mackenzie. These could be improved. The lack of insistence, for instance, on permits at the time of the construction of the Bennett dam was something that worked against the development of the north because that dam has affected the water levels on the navigable portions of the Mackenzie. In respect of air, last year we saw an ill-fated proposal by the government to tax airline tickets on a percentage basis. If there was ever anything designed to stultify the development of the north it was this proposal. I admit it applies to aircraft of certain size, and that there were exemptions, but the tax applied to passengers going by regular carriers such as Pacific Western Airlines to the down-river posts and the Arctic. What a way to strangle development! Well, somehow or other I think we finally got to the government and it saw how ill-advised this policy was.

Here again, I believe the lack of a real regional air carrier policy will also work to the detriment of the north. I say we must have an inquiry into our domestic air policy. I think the *Globe and Mail* was quite correct in its editorial yesterday concerning the policy of our national air carriers in respect of domestic flights, and the fact that it is costing Canadians far more than should be the case. For that reason, I say we must have an inquiry in order to determine a far better national air policy for Canadians. This will also affect the north.

In the limited time I have available to me, I want to say Canadians must be encouraged to participate in the development of the north since they have an equity in it. There is no such suggestion in the present plan. Where is it suggested that these developments in the North are to be owned by Canadians? I made these proposals during the hearings of the Finance Committee in respect of tax reform, but I want to make them again. I would be very discriminatory in favour of Canadians and Canadian companies, truly owned by Canadians, in the resource development field, be it mining, be it lumbering or be it exploration and production of oil and gas.

In respect of these things which represent the development of our primary resources, Canadians should enjoy a certain tax advantage. If we were to have a capital gains tax such a person should be exempt in respect of any gains made in that field, provided the investment remained in the resource development sector. He could move around from one mine to another mine or from a mining company to a lumbering company or from a lumbering company to an oil and gas company, but there should be encouragement for him to remain within these fields. If the tax is to be 25 per cent, and if he remained there for one year, he would pay the 25 per cent tax. However, if he remained a second year it would be reduced by 5 per cent and if he remained a third year it would be reduced by 10 per cent, then 15 per cent and so on all the way down. If he remained there five years there would be no capital gains tax. That is a medium range investment, but I would say it is a sufficient encouragement to Canadians to participate in the development of their own resources. It would be an advantage for Canadians. I do not deny there is discrimination against an outsider and you may say, in so far as that taxpayer is concerned, there is discrimination in favour of him as against an investor in a manufacturing company in central Canada. Yes, there is, but I have a stated objective.

The objective is greater ownership and participation by Canadians in the development of their own resources. It is not by setting up Crown corporations that you will guarantee this. It will not be done by setting up a Canadian Development Corporation, as we now see it and are studying it in the Finance Committee. This Corporation will be a non-starter in so far as this type of development is concerned. It will not accomplish the purpose. We want Canadians from one end of our country to the other to be able to participate in the development of the resources of our vast north. Certainly there are many safeguards involved.

Members will speak about ecology and so on, but it is still possible to carry out this development of resources which will bring people to the north and see to the development of the north. If one said we would require an instant development of the west our ancestors a hundred years ago would have said, "Why, man, you are crazy". But it went step by step. We require transportation and development of our resources to attract people and provide for the economic development of the whole region. However, I do not see much prospect of that happening with the government's present policy. As a matter of fact, I see the reverse. I see an attitude of complete neglect. Some things are being done, but I want to see greater emphasis on this aspect. I want to see emphasis that is applicable in the tax field, with greater assistance through our financial institutions for this type of work. The challenge is there.

• (5:30 p.m.)

Mr. Chrétien: You don't agree with the hon. member for Duvernay (Mr. Kierans).

Mr. Lambert (Edmonton West): I have not heard the hon. member for Duvernay (Mr. Kierans) speaking in the debate, so the minister has me at a loss.

Mr. Chrétien: About resource development?

Mr. Lambert (Edmonton West): I did not know that the hon. member for Duvernay had participated in this debate, but his thesis, so far as I have heard it, has no application to the north country because there are not enough people there. And for all of his strictures, I think he is completely wrong on one because accelerated depreciation only hastens the day when you can no longer claim depreciation on buildings and equipment. It is only when you get, shall we say, a bonus on depreciation that you have a real incentive toward capital-intensive industries.

In the 20 minutes at my disposal I do not have time to argue against the thesis of a former minister of the Crown, but I say that we want our tax system to encourage Canadians to participate more, and it is not on the basis of so-called equity between taxpayers. I would discriminate in favour of Canadians in regard to resource development in order to encourage our development. To that extent, I find that government policies have been deficient in so far as they are oriented toward the north, which to me is now the field of challenge and opportunity in this country; and I most certainly support the motion.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the remarks I intend to make will be a change of pace from those of the hon. member for Edmonton West (Mr. Lambert). I intend to confine my remarks to a discussion of one aspect of the amendment proposed by the hon. member for York South (Mr. Lewis), namely, the lack of recognition of the basic and prior rights of the native inhabitants of the territories, including settlement of their claims which would recognize their rights in the land and its resources; because, Mr. Speaker, if there is

one single matter about which I have ever-increasing concern as a Canadian, it is the blatant refusal of the government headed by the Prime Minister (Mr. Trudeau) to recognize that aboriginal rights do in fact exist. I must say that this came as a bit of a shock to me in view of the fact that it did appear over a period of several years that the government was moving toward a recognition of aboriginal rights and a willingness to deal in a more realistic way with treaty rights than they had been dealt with in the past.

Hon. members may recall that we had two versions of a bill on this general subject matter introduced in the House, although neither one was fully dealt with. The present Prime Minister, before he became a member of this House, before he became Minister of Justice and later Prime Minister, from all the reports I heard of him had been a champion of civil rights and liberties. It is therefore with considerable astonishment and certainly with great regret that I feel the position he has taken, and taken quite adamantly, on the rights of the Indian people is a complete negation of recognition of some of the basic principles of civil liberties and human rights.

I think it is time that more and more members of this House came to grips with a determination of this basic question, with particular reference to the north. If we do not, before too long if the present pace of exploration for possible exploitation of the natural resources, particularly the non-renewable resources, continues the problem in that area of the country, as has been the case in the past in other parts of the country, will be so late being dealt with that it will be too late for it to be dealt with meaningfully.

The time has come when members of the House should begin to turn their attention to the booklet which was published as the result of a research study by the Indian-Eskimo Association of Canada, entitled "Native Rights in Canada." I intend to devote at least part of the time that I have today to putting into the records of this House some of the things which are said in this book. The introduction reads:

> The issues around Canada's aboriginal peoples are, even today, not separable from Canada's particular history of Indian-white relations. To look at the present we must understand the past. The emergence of a newer Indian leadership does not change this fact. The new organizations and the new leaders are at least as concerned with the issues of treaty and aboriginal rights as their predecessors.

I think that is a true statement. I had the pleasure and honour of knowing, to some extent at least, the great, late Reverend Dr. Peter Kelly, a chieftain of the Haida, one of the pioneer leaders of the Indian people who first appeared and made their voices heard before members of this House. His concern for and knowledge of the whole question were deep.

But I think it is true to say, as the introduction to this publication points out, that the new leaders of the Indian peoples have as deep a concern as did people like the late Reverend Dr. Peter Kelly who, as some hon. members may know, in addition to being a chief of the Haida was an ordained minister of the United Church of Canada who was chosen by his church to head the British Columbia conference some years before his death. The phrase, "To look at the present we must understand the past," I think is the key point in that quotation.

That, I suggest, Mr. Speaker, apparently is exactly what the Prime Minister does not understand or refuses to recognize. In fact, I would say that the only way one can describe him in this context is to label him an historical illiterate, which seems rather surprising if one looks at the record of his academic achievement and his fields of interest as set forth in the Parliamentary Guide. In it we read that he studied law at the University of Montreal, graduating with honours, and undertook post-graduate studies in law, economics and political science in Paris and at the London School of Economics. When he was in practice he specialized in labour law and civil liberties cases in Quebec, and became associate Professor of law at the University of Montreal where he taught constitutional law, civil liberties and carried out research.

• (5:40 p.m.)

All I can say is that during that period of his career the Prime Minister could not have conducted any research into the question of the basic concepts of civil liberties as they apply to the Indian people of Canada. There is no record of that kind after my name in the Parliamentary Guide, although I was an honours student in history at the University of British Columbia. I do not make the charge of historical illiteracy against the Prime Minister only on my own knowledge, but after reading with interest and I hope some degree of understanding the contents of this book.

This is not a haphazard publication but is the result of a research grant from a foundation in Calgary. The head of the research committee was Dean R. J. Macdonald of the faculty of law, University of Toronto. Mr. Alfred Best, Q.C., Mr. T. A. King, Q.C., Mr. Malcolm Montgomery, Mr. T. H. B. Symons, Mr. B. J. MacKinnon, Q.C., and Mr. I. Binnie were members of the committee. Director of the research staff was Douglas Sanders, faculty of law, University of Windsor. Research associates were Kenneth Lysyk, faculty of law, University of British Columbia, and Anthony Hooper, faculty of law, Laval University.

Having read the book, I feel that I am not alone in my appraisal of the position taken by the Prime Minister in turning his back on the question of aboriginal rights. In an appendix there are quotations from a speech made by the Prime Minister on August 8, 1969, in Vancouver on the subject of Indian aboriginal and treaty rights. He refers to the fact that the government had come up with a proposal, a policy paper on the Indian problem which proposed a set of solutions. "It doesn't impose them on anybody", said the Prime Minister. Mr. Speaker, some of these things were imposed upon the Indian people long before the white paper policy was presented to this House. It is all very well for the Prime Minister to say that this white paper does not impose anything on the Indian people, but I suggest that it does not propose—it rejects the alleviation of some of the things already imposed upon the Indian people. If we are to understand

the present we must have some understanding of the past.

The Prime Minister went on to talk about some of the choices before Canadians generally and before the Indian peoples within our boundaries in particular. He said the question was the following:

—whether Canadians as a whole want to continue treating the Indian populations as something outside, a group of Canadians with which we have treaties, a group of Canadians who have as the Indians, many of them claim, aboriginal rights or whether we will say well forget the past and begin today and this is a tremendously difficult choice because, if—well one of the things the Indian bands often refer to are their aboriginal rights and in our policy, the way we propose it, we say we won't recognize aboriginal rights. We will recognize treaty rights. We will recognize forms of contract which have been made with the Indian people by the Crown and we will try to bring justice in that area and this will mean that perhaps the treaties shouldn't go on forever.

He went on to talk about its being inconceivable to have treaties between peoples within a single nation, as if the treaties and all they stand for were only concerned with whether the Indians were to receive a little twine and gunpowder. This strikes me as approaching the whole question of treaties with sneering contempt, without any appreciation of historical significance. This is something that is separate and apart from the matter of aboriginal rights. Later he said:

But aboriginal rights, this really means saying, "We were here before you. You came and you took the land from us and perhaps you cheated us by giving us some worthless things in return for vast expanses of land and we want to reopen this question. We want you to preserve our aboriginal rights and to restore them to us." And our answer—it may not be the right one and may not be one which is accepted but it will be up to all of you people to make your minds up and to choose for or against it and to discuss with the Indians—our answer is "no".

He went on to refer to a statement of the late President Kennedy regarding the question of the Negro people in American society and quoted with approbation, "We will be just in our time. This is all we can do. We must be just today." I agree with the sentiment expressed by the late President Kennedy as strongly as does the Prime Minister. What I am suggesting is that the Prime Minister either cannot or will not see what is involved here. When he interprets the Indians' plea as, "We want you to preserve our aboriginal rights and to restore them to us," this is not my understanding of what they have been trying to tell us.

They recognize that we cannot turn back the clock. None of my Indian friends has ever told me that they want the white man to go back across the seas where he came from, and not return. They recognize that we are here and that they are a minority. They are not asking us to do as some of the colonial powers have in territories in Africa and Asia where the white people have always been in the minority. They are only asking us to recognize their aboriginal rights, to sit down and negotiate a settlement of them. "Then, and then only," they say, "we can become part of the same society with the rest of you. Then, and then only, can we discuss whether the ancient treaties should continue."

It is my submission that if we are prepared to accept the reality of aboriginal rights, the suggestion of the Prime Minister that the treaties should not necessarily continue is something that the Indian people would be willing to discuss. Mr. Speaker, I must admit that I have lost track of how much time I have left. If I have a few minutes more I would make one or two further references to this book. On page 14 it deals with the origin of the concept of aboriginal titles. I commend this book to hon. members. The book points out that this concept goes back a long way in history, that it is basic to the notion of native rights, that it is not a matter which has been thoroughly studied in this day and age—actually, this little volume is a pioneering work in this field—that it developed really with the beginning of the occupation of North America by people from Europe, and that one of the earliest nations to be concerned about this question and come to grips with it was Spain. It reads on page 14:

• (5:50 p.m.)

Charles V sought the advice of the foremost theologian of the day, Franciscus de Vittoria, a humanist and a friend of Erasmus. Vittoria was Professor of Sacred Theology at the University of Salamanca. He gave two lectures in 1532, which are recorded in his book . . . in which he deals with basic questions of Indian rights and the question of slavery. Vittoria asserted that the Indians were the true owners of the land both from the public and the private point of view. Their lack of belief in the Roman Catholic faith could not affect the question, as heretics in Europe were not denied property rights. He suggested that the Indians were no less intelligent than some Spanish peasants and therefore were equally fit to have legal rights.

The author goes on to suggest that the Spanish had the right to travel into Indian lands so long as they did no harm to the natives, for, says the author, "hospitality is part of the law of nations". Also, the Spanish had the right to trade with the Indians. In certain circumstances, if the Indians were to deny these rights after reasonable explanation, the Spanish could lawfully make war. Otherwise, the Spanish could not wage a just war and by that means claim rights by conquest. In 1537 Pope Paul III used the Bull Sublimus Deus and the author quotes from it as follows:

—Indians are truly men . . . they may and should freely and legitimately enjoy their liberty and the possession of their property nor should they be in any way enslaved; should the contrary happen, it shall be null and of no effect.

The book contains a further quotation from "Commentaries on the Law of England," by Sir William Blackstone. This was published in 1705 and was a monumental commentary which dealt with the matter of Indian title. The quotation from the work begins with these words:

Plantations, or colonies in distant countries—

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Barnett: Mr. Speaker, I can quote these passages on other occasions.

Mr. Steven Otto (York East): Mr. Speaker, for the remaining few minutes before six o'clock I shall whet the

appetites of the frontbenchers of my party because I say that the motion is very generous. It assumes that this government has policies. The subject of my remarks will be that the government has no policies. It has no policies so far as the north is concerned and has no policies in most of the other areas of concern. Whose fault is this? The burden always rests on the Prime Minister (Mr. Trudeau).

Mr. Barnett: What are the hon. member's policies?

Mr. Otto: The fault, if there is a fault, rests with this Parliament, as the right hon. member for Prince Albert (Mr. Diefenbaker) said in this House several years ago. He said that the House of Commons, Parliament, does not govern. It does not set policy. It has only one function. It is the place where grievances are expressed and where freedom is maintained. It has no other function. That is true today. Consequently, when we talk about policy, we have no policy. When matters relating to Home or Denison are raised, we devise instant policies. We encounter labour problems and we devise instant solutions. We work from one position of panic to another. I should like to suggest, in the time at my disposal after eight o'clock, some remedies for this situation.

May I call it six o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before leaving the chair may I bring to the attention of hon. members that pursuant to Standing Order 40 the following questions will be discussed at the time of adjournment: the hon. member for Egmont (Mr. MacDonald)—Agriculture—Potatoes—Assistance to Prince Edward Island growers; the hon. member for Calgary North (Mr. Woolliams)—Air transport—Hijacking—Parliamentary ratification of The Hague Convention—Amendments to Criminal Code.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED FAILURE OF GOVERNMENT TO ADOPT POLICIES TO DEVELOP THE HUMAN, CAPITAL AND NATURAL RESOURCES OF NORTHERN CANADA

The House resumed consideration of the motion of Mr. Baldwin:

That this House believes that an enlightened program of human and economic progress for northern Canada offers great opportunities for the people of this country; and that the economic and social policies of the present government have brought about confusion and delayed progress; and that it is essential to make appropriate changes in our approach in respect of northern Canada;

And this House condemns the government for its failure to promote a truly Canadian strategy for the north based on human, capital and natural resources, and urges that appropriate policies be adopted at once that will bring about such development in that region.

And the amendment thereto of Mr. Lewis.

Mr. Otto: Before the dinner hour, Mr. Speaker, I had mentioned that the motion very generously presumes that the government has policies. It is a fallacious presumption but nevertheless it is the gist of the motion. My remarks were directed toward the fact that neither this nor any previous government has really had time to formulate policies. We work from one moment to the next and one panic to another. We had no policy on the export of energy resources until Denison Mines was going to be sold; then suddenly we made a decision. Then there was the situation with regard to Home Oil. The shirt and textile manufacturers got after the Minister of Industry, Trade and Commerce (Mr. Pepin) and he immediately had a policy for that.

What the hon. member for Duvernay (Mr. Kierans) objected to was that under our parliamentary system it is almost impossible to form policies for any length of time. In order to remedy this system it is not enough to just make remarks about it. The whole system must be changed to a great extent. That may mean the introduction of certain republican ideas or congressional ideas, or a mixture of the two merged with the parliamentary system. It just will not work the present way, nor can we expect the government to have policies for any length of time.

This motion concerns northern development. If I heard the hon. member for Edmonton West (Mr. Lambert) correctly, his idea of development means immediate exploitation. His idea of development seems to be to get the resources out of the ground, sell them quickly and get rid of our energy, including hydroelectric power in the north, because there is reason to get rid of them very quickly. If we examine this situation carefully, we will see that usually the corporation or exploitation company is controlled by an American company which desires to develop the resources to sell to Americans. They want to beat other American companies who are importing from various parts of the world, at the same time leaving a tiny residue of resources in respect of which Canadians can build pipelines, as has been stated by the minister.

• (8:10 p.m.)

I visited these areas and talked with some of the people who are working on the projects. The presumption, of course, is that a great many qualified Canadian will have jobs in perpetuity. But oil riggers are, by and large, members of an international pool and their headquarters are in Dallas, Texas. The pipe manufacturers—

Mr. Orange: Are in Edmonton.

Mr. Otto: —if they are not foreign-owned, employ a small number of Canadians as labourers, but management skills are something else again. What we are talking about, really, is an impetuous desire to get rid of the reserves. This is what we are really talking about when we say "policy". It seems to me that if we are to have a policy, that policy should be tied to some criteria.

Mr. Benjamin: Such as a national objective.

Mr. Otto: For example, it is not enough to say to the Americans, "You can have $6 billion worth of gas provided we have some labour content." It is time for us to say, rather, "You can have $6 billion worth of gas, but this represents energy you do not possess and that energy will produce for you Americans $50 billion worth of employment. Therefore, if we can reach some agreement by which Canadians will be ensured of $25 billion worth of employment, you can have the gas." The same line of thought can be applied in the case of hydroelectric exports. But we are still working on outdated assumptions and at no time have we stopped to formulate such policies, because we are apprehensive that a small segment of our society will complain on the ground that the resources are there and we are not getting rid of them.

Most of us are cognizant of the problem involved here, particularly as it concerns the export of our gas and the transportation of Alaska oil. I think evey hon. member should read carefully the proceedings of the Special Committee on Environment and Pollution, issue No. 17. The witnesses before the committee were Dr. Fuller, Dr. Lambert and Mr. Passmore, members of a special task force examining the pipeline question and the proposed route by tanker.

It is important to note—the evidence they gave bears this out—that at the present time the government should be in no hurry to allow the export of gas nor, indeed, the construction of a pipeline through the Mackenzie Valley. The witnesses whose names I have mentioned pointed out that the pipeline, if built, would pass through two earthquake zones. Moreover, no one can tell what the ecological consequences of an oil spill might be, since sufficient research work has not been done. I believe it is now acknowledged that there will be a spill, whether a tanker spill or a pipeline spill, and until more research has been carried out it is not possible to predict the results.

The scientists also pointed out to the committee that insufficient attention had been paid to the possibility of using other transportation systems such as the Alaska Highway or railroad system along conventional lines, or a monorail system. We are going pell-mell into a situation in circumstances in which we are not obliged to do so. We think we have to do these things. We think it is essential to get this oil to the United States because ten years from now it may not be of any use.

The fact is that ten years from now the petrochemical industry may be willing to pay a lot more for these resources. Why this great rush, until we have investigated? The evidence is that it would take a minimum of five years before we could know what the consequences may be. The real question, therefore, is how we could prevent the Americans risking an oil spill. After all, it is their oil in Alaska.

I believe the government should realize that we are sitting in Canada with a powerful hand. We need not send out battleships, soldiers or anything like that. But we need to say firmly that we have a policy, or propose to have a policy, based on research, on an accurate estimate of the reserves which will be needed by ourselves and others, tied to benefits to our own productive capacity. Then we should say to the Americans, "If you really insist, you can take your oil by tanker from Valdez to a point near Seattle, but we shall not like it. You happen to need our water to keep your Imperial Valley growing vegetables; you also require our uranium, our nickel and our ore. If you displease us, remember we control these resources."

I think it will need no more than that because, after all, the Americans are well aware of our position and some of them are not too keen about rushing headlong into the type of oil transportation which, of course, some of the companies desire. If the government of the United States realized we had a policy and were adamant on it, I am sure we would get co-operation.

It comes down to this. Canadians elected a government which we expect would be courageous, daring and inventive. But somehow all these clouded policy issues have convinced our people that we as a government are not daring, but cautious; that we are not inventive, but that we cling to conventional ways of thinking. This is what influences our lives. The capital is here. If we want it, we have it. We can do all these things. I think the government should pay attention to this disenchantment and ask, "Why are we here?" The answer should be, "we are here because we have been elected to do these great things, and we can do them." Therefore, I believe the second part of the motion has a great deal of substance.

Mr. Benjamin: Do you intend to vote for it?

Mr. Otto: I said it has a great deal of substance. Before this debate is over I expect to hear many members contributing to this point of view. How can we, as a government, set policy? How can we, as parliamentarians, tolerate the injection of new concepts into the parliamentary system which will enable the government to formulate long-range policies instead of being a government which looks after immediate problems on a day-to-day basis only?

Some hon. Members: Hear, hear!

Mr. Benjamin: Would the hon. member permit a question? I agree with much of what he has said, though the concepts are not new. I have an application form with me. Would he like to take out membership in the New Democratic Party tonight or tomorrow?

• (8:20 p.m.)

[*Translation*]

Hon. Martial Asselin (Charlevoix): Mr. Speaker, the House is asked to consider a most important question, and I believe that the official opposition was justified in

proposing the non-confidence motion appearing on the Order Paper so that this government would state which measures it proposes to take in the shortest possible order to rationalize the development of our natural resources to enable Canadians to exploit them as fully as possible.

Last fall, I visited the North with a House committee and I was enthralled by the magnitude of its untapped natural resources, while in Canada there are today thousands of unemployed who would be only too happy to see the government implement a rational planning policy to launch the development of these resources for the benefit of the nation as a whole.

It is difficult, in a debate such as this, as a member from Quebec, not to say a word about the James Bay project. We know that immediately after the announcement of this project by the premier of Quebec, authorities involved in the fields of politics, sociology and economics expressed their views.

This project, Mr. Speaker, will cost almost $6 billion. Three rivers will be used: the Nottaway, Broadback and Rupert rivers. There is a possibility to extend this number to five. The project will give birth to the most powerful hydro-electric complex in the western hemisphere, with a production capacity of 10 million kilowatts. The dam will produce twice as much power as Churchill Falls, and the project will cover an area of 50,000 square miles.

Because of the far-reaching dimensions of such a project, there are so many factors to be taken into account that many experts have expressed some doubt as to its validity. Until now, over $14 million have been spent on studies and discussions to ascertain the viability of this project.

If I deal with this project tonight it is not that I am a priori objecting to it. Not at all. As a member of Parliament from Quebec, I must naturally ask questions in order that public opinion be further enlightened and to get answers from the authorities concerned.

When he made his statement, the premier of Quebec said that up to 125,000 jobs would be created through this project.

[*English*]

Mr. Orange: Mr. Speaker, I rise on a point of order. I understand that this debate, if one reads the motion, reflects upon the approach of the federal government. It refers to "our approach", which I presume is the approach of the federal government, to northern development. The hon. member across the way has concerned himself with development in one part of northern Canada, namely, northern Quebec. Although I appreciate his concern, I am wondering whether he is talking about a provincial matter concerning which an announcement has been made by the provincial government.

Mr. Ricard: Let the Speaker decide that.

Mr. Orange: May I continue my remarks? My hon. friend will have his chance later.

Mr. Ricard: There is no reason whatever for saying that.

Mr. Orange: My precise point of order is that the motion is talking about the approach of the federal government to total northern development. The words of the motion are "human, capital and natural resources". I am wondering whether the hon. member is relating his remarks to this debate in talking about a proposed program of a provincial government for a northern part of the country.

[*Translation*]

Mr. Asselin: Mr. Speaker, in reply to my hon. friend's point of order, I will say that if he will hear me out attentively he will see that what I mean is that the federal government has some responsibility in the implementation of this project. I mention it, of course, because the project was brought forward several times by the premier of Quebec in the National Assembly and opposition members asked what would be the federal government's participation in the very important James Bay project. I do not feel that this debate is restricted merely to Quebec. I also want to stress the responsibility of the federal government in its implementation. That is why I am mentioning the James Bay project. In fact, I had just started laying the foundations for my argument and my hon. friend will understand at the end of my speech that the points I am making will strike home with the government, which will have to take action jointly with the province of Quebec to carry out the project.

[*English*]

The Acting Speaker (Mr. Richard): The hon. member will surely appreciate that the motion and amendment before the House are very broad in scope. The motion reads:

> That this House believes that an enlightened program of human and economic progress for northern Canada offers great opportunities—

And so on. Northern Canada is not the territory of just one province but all Canada. We are dealing with development policy relating to northern Canada.

[*Translation*]

I would say to the hon. member for Charlevoix that I well appreciate the fact that he does not intend to limit his remarks to the Bay James project, but rather to the relationship between this project and the general policy the government should establish in matters of development of our natural resources. I understand the hon. member intends to outline some arguments that are by nature related to the Bay James matter and to the development policy of northern Canada.

Mr. Asselin: Mr. Speaker, I did lay the groundwork. First of all, I shall deal with the Bay James project and then, in conclusion, I shall outline the federal government's responsibilities in this regard.

As I was saying, Mr. Speaker, the government of Quebec claimed it could create 100,000 jobs. Such an announcement is really encouraging for the increasing

number of unemployed of Abitibi, when gold mines are closing down their operations.

• (8:30 p.m.)

Again, to give an answer to my hon. friend, I will state that until there is contrary evidence the province of Quebec is still part of Confederation and that if some resources are being developed in northern Quebec, they belong not only to Quebecers but to all Canadians.

As I was saying, this will no doubt be of great help to the unemployed in the Abitibi area, at a time when the Quebec gold mines may have to close down in a few years. That again is a Canadian problem.

The project includes the construction of six to ten dams and six canals. A 200-mile road will be built across very difficult terrain. A port will be constructed on the bay and two airports will be required. Within a year, 2,000 jobs are expected to be created.

All the electric power will be sold to the United States. Already, Consolidated Edison of New York intends to purchase some to the value of $2 billion.

The money for financing this project will come from Quebec, which hopefully will contribute half a billion, as well as from Europe, which might contribute almost $3 billion while the balance would come from the United States.

Here, I make a digression to point out that this is where the federal government plays its part. If we follow the policies of the hon. Minister of Finance (Mr. Benson), who urged the provinces not to borrow too much on the foreign market, the minister will have to take his responsibilities and tell Quebec how to negotiate its loans on the Canadian market. This is where the federal government will intervene for the first time in the financing of the project.

It is reported also that a government-owned company will be responsible for carrying out this project. Its aim would be to co-ordinate all activities in this area, including those of such other Quebec companies as SOQUIP and SOQUEM.

Mr. Speaker, the keen observer sees at a glance the vastness of the project not only for Quebec but for the rest of Canada also.

Quebec has furnished evidence of its efficiency in this field: let us consider the Manicouagan and Outardes projects for instance. One passes rapidly from great amazement to questions which remain unanswered. As a French-Canadian member of the House, I have a right to doubt the profit-earning capacity of such a project.

Will this project encourage the development of northern Quebec? Will the electric power produced be used in developing industry in this region? Unfortunately, up until now nothing points to such an accomplishment. Besides water which resources can we draw from this region? The forests are sufficiently exploited and we have no more need for gold.

If my hon. friend who just interrupted me would read today's *La Presse*, he would notice that this project is so important to Canada that four pages are allotted to the study of its political and social effects.

When we know that only half of the 13.5 million cords of wood will be salvaged before the area is flooded by the waters of James Bay, we still wonder if the federal government as well as the province of Quebec should not have contemplated salvaging all of it, at a time when Canadian pulp and paper plants are having difficulties.

Will other resources be processed in the United States, in Quebec or somewhere else in Canada? After its $6 billion investment in that hydro-electric project will Quebec have the capital needed to develop and process these resources?

Many are doubtful about the economic viability of the project as far as the potential market is concerned. New England could face a power shortage within five years and plans to build nuclear reactors to meet the demand. Each reactor would produce twice the amount of electricity which would be generated at James Bay.

Of course, the experts answer that the construction of reactors is much too costly and that from a technical point of view, they must undergo major improvements.

Now, what will happen to the ecological balance which is not only the responsibility of Quebec but also that of the Minister of Indian Affairs and Northern Development (Mr. Chrétien).

Several streams now flowing into James Bay will be diverted. What will be the effects of those changes on the water system of James Bay which, as we all know, is covered with ice seven or eight months a year. The wildlife will be subjected to the effects of geographic alterations.

Let us take, for instance, the wild geese which follow the Nottoway River when migrating. How will the life of these geese be affected by the diversion and almost complete disappearance of this river? What measures has the federal government taken to prevent this situation? Your Lordship, Mr. Speaker—

Mr. Chrétien: Your Lordship!

Mr. Asselin: It happens sometimes that I use this expression, Mr. Speaker; as if I were still in court. This is a kind of professional habit.

I have asked the minister, today, what research and what studies had been made, or shall be made, to try to avoid the disappearance of these migrating birds. I know that the minister has already answered that his experts were working on this problem, but I must show to the hon. member who interrupted me and the name of whose riding I have forgotten, that this is not merely a Quebec but also a Canadian problem.

From an economic viewpoint, the only unfortunate aspect is that the financing will come from foreign countries, mostly from the United States. These days, economic nationalism is a current topic. As Canadians, we would also like to keep our natural resources and develop them ourselves.

We would like to learn from the government what projects it intends to bring forward in order to meet the

requirements of the economic nationalism advocated by some Canadians who, I think, have every reason to worry about the take-over of our natural resources by foreigners. How will the country be affected by a $5.5 billion loan at current interest rates?

We are aware of the value of the project as to the effects such large exports of power will have on the balance of payments, and we must welcome it. The fact remains that every precaution must be taken to spare Quebec and Canada serious after-effects if the project were to abort or prove unprofitable.

The government expects, as I said a while ago, that 125,000 jobs will be created. What will happen to that manpower when the project is completed? Once it is set up, the hydroelectric complex will operate with the help of a computer or about one hundred men. That is what is happening at Manicouagan, since the projcet has been completed.

What we ask is this: To what extent will the federal government participate in the project? It is now levying an 11 per cent tax on building materials. Does it intend to co-operate with the Quebec National Assembly by repealing this tax to reduce the cost of the undertaking? Building materials will be needed to the tune of $1.5 billion. Does the government intend to remove that tax or to grant an exemption? As was the case for Churchill Falls, does the government intend to grant tax exemptions to shareholders?

Finally, the human factor has to be taken into consideration. In the James Bay area, there are Indians who are still under the federal jurisdiction. Some say that they number 10,000 and others, 5,000. Today's issue of *La Presse* mentions that there are 3,500 Indians in the territories involved, and as we know they still come under the jurisdiction of the Minister of Indian Affairs and Northern Development.

To speak of the Far North is to speak of the Indians. Therefore we are right in asking the minister whether he looked into the matter or intends to do so, in order to determine what will become of the Indians who live in those territories.

It is a human element that should concern the federal government. In today's edition of *La Presse,* one could read the following about the 3,500 Indians in the territories concerned, and I quote:

> —it is that... the mass arrival of the white people will destroy there as elsewhere the unity of the Indian culture. One must go to Schefferville to know exactly what is going to happen in the James Bay area—

In Churchill and in Schefferville, towns that are not far from my constituency, we find alcoholism, racism, lack of culture, tensions, degradation of every aspect of social life. Of course, those are human factors which the federal government must take into account when discussing a project of such importance.

A more accurate census should be made of the number of Indians living in those territories which will soon be inhabited by white people. Those Indians belong to the Cree tribe and have been living in this hunting and fishing territory for over 300 years. Will they be indemnified accordingly? Will they be hired to work on this project? Does the federal government intend to set up immediately a training program so that those Indians will be able to find work when the project is under way?

Mr. Speaker, this again comes under the government's jurisdiction. We are affected by these questions. Far from opposing the James Bay project, we are entitled to ask questions and to know what will be the government policy and contribution to this huge loan the province of Quebec will have to raise. Will this province be able to borrow the full amount abroad or will it be able to find on the Canadian market the billions of dollars required for this project? This is the responsibility of the Minister of Finance.

As regards ecology and natural resources, of course, they come under the jurisdiction of the Minister of Indian Affairs and Northern Development. As he has already been asked today, I ask him how he will co-operate with Quebec toward the implementation of such a project.

This is why, in my opinion, the official opposition was right in raising such an important question, and this is also why I will support the motion.

• (8:40 p.m.)

[*English*]

Mr. Ian Watson (Laprairie): Mr. Speaker, I intend to confine my remarks this evening to two main areas which are the responsibility of the Minister of Indian Affairs and Northern Development (Mr. Chrétien). The initial area which I should like to discuss relates to one aspect of the social policies of this government. I believe it is an aspect which has frequently been criticized in the past, but from my personal experience in visiting a number of Indian communities it is evident that we have made enormous progress over the last few years in providing adequate and improved housing for our Indian and Eskimo people. The Indian and Eskimo housing program has already resulted in more than 11,000 new homes having been built. This year alone more than 2,000 homes will be added to the 11,000 total. Without question, we are improving the strictly material aspects of our social policy vis-à-vis the Indian and Eskimo people of Canada.

I am afraid the record is less satisfactory when we look at some of the results of our social policy in the educational and employment field, although I realize that there too the government is making enormous strides. Important new programs have been developed over the past three or four years and these are beginning to produce results. However, I do not think anyone in this government is satisfied with the present unemployment rate among our Indian people, nor is anyone in the government satisfied with the extremely high drop-out rate of Indian youngsters, particularly in our high schools. This drop-out rate is close to four times the national average and unemployment rate ranges, at least for part of the year, between 40 per cent and 50 per cent.

Having said that, I do not think there is any hesitation on the part of this government to take whatever action is necessary and to inaugurate whatever new policy may be necessary to reduce the rates of unemployment and

drop-outs among our Indian students, rates which belie the material progress the government has been making in providing for the physical wants of our indigenous peoples.

Clearly, the most important thing this government has accomplished in the last few years is the provision of the mechanisms by which our Indian people can act on their own and can take the initiative in solving their own problems. Increasingly in the last several years we have seen Indian organizations spring up, representing every provincial group of Indians. A strong national organization has also been developed. These organizations are not yes-men for any government. They are making gains on behalf of the Indian people they represent in a very forceful and effective way.

This is producing results for the Indian people and is instilling pride in them when they are able to see the results of the new forcefulness translated into government action. The mechanisms which have been provided to allow our Indian and Eskimo people to take this self-initiative will in the long run, I believe, prove to have been the most important thing we have done in this transitional period which started in the late 1950s, really, and accelerated during the early 1960s—a period in which we have seen the number of Indian and Eskimo children in high school multiply many times over, and the number of children in university increase many fold.

Mr. Yewchuk: You are daydreaming.

Mr. Watson: These years have been important years. But again, Mr. Speaker, the government has not hesitated to admit the serious deficiencies which remain.

Mr. Benjamin: This is no time to brag about it.

Mr. Watson: I should like to deal particularly with one area of the north, northern Quebec.

[*Translation*]

Mr. Speaker, I am sure that the Quebec government will have to hurry its consideration of Indian claims to prevent its James Bay project from being hampered by legal proceedings.

I believe that the Quebec government's position when dealing with the Indian people, in particular those living in the so-called New Quebec area, is untenable. No doubt people know that when the federal government in 1912 transferred jurisdiction on the New Quebec territory to the Quebec government, the latter assumed responsibility for direct settlement of all the claims the Indians in the area could make. Up to now, those claims have never been sustained and, if the Quebec government does not want to see its James Bay project obstructed indefinitely, it is most important that the native rights issue in the New Quebec area be settled.

• (8:50 p.m.)

[*English*]

The other area I would like to touch upon tonight concerns the resource policy of the government as it relates to the oil and gas regulations which have been under suspension for some time now. I do not remember precisely when the suspension first took effect, but it seems to me it is more than a year ago since the oil and gas regulations applicable to the Northwest Territories and the Yukon were suspended.

Up until they were suspended the basic philosophy behind the regulations was that the permit holder should have first choice of 50 per cent of his permit area and that should return the remainder to the Crown. The choices were subject to certain restrictions, but in any event they all boiled down to a 50 per cent turnback to the Crown in the event of a discovery of normal size. There were a whole series of explanatory rules which provided for the discovered resources to be separated one from another by a row of sections, or that the permit holder could choose his section squares on an alternate basis; but the end result was that the Crown kept its 50 per cent.

The practice in the provinces has been for this 50 per cent to be auctioned off to the highest bidder. The regulations were different in the Northwest Territories and in the Yukon, at least until they were suspended. They provided that the Crown's 50 per cent was subject to the original permit holder's option to take it, as well, by paying a double royalty. This was an additional incentive, and it was judged to be necessary to encourage the higher risk and cost of exploration in the Northwest Territories. It had that effect; it did encourage a certain amount of risk capital that would not have gone there had this additional incentive not existed. But at the time when the discoveries were made at Prudhoe Bay, all this changed and in this changed situation there was no longer any requirement on the part of the Crown, in my view, to provide this additional incentive.

The potential which was demonstrated by the Prudhoe Bay discoveries, the potential which the Arctic area held for possible oil and gas discoveries was such that this double royalty clause was no longer a justified sweetener for the purposes of getting additional risk capital into exploration.

What concerns me now is the likely direction in which I feel the regultions may be changed. It is reasonable to expect that there will be a tendency on the part of the government to opt for the type of option regulations which already exist in the provinces and which have proven effective in a province like Alberta. These option regulations have given Alberta a fairly high percentage return on its oil resources, when all taxes, federal and provincial, and the royalities are taken into consideration. If Alberta is compared with oil producing countries throughout the world, then the results there compare fairly well. But the Alberta regulations have resulted in a situation which I think most of us deplore, in that the percentage of foreign control of the oil and gas resources in Alberta, and throughout the Canadian west, ranges well over 85 per cent.

This has been a result of this policy and I would like to suggest to the government, as I did in a previous speech—if I remember correctly, last June—that instead of the 50 per cent that is returned to the Crown being auctioned-

off, it be retained by the Crown or at least remain directly under Crown control or ownership, possibly with farm-out provisions, perhaps with first preference going to the original permit holder.

Mr. Benjamin: Make up your mind. Which way do you want it?

Mr. Watson: The members of the NDP on many occasions have made sweeping suggestions about nationalization. I am suggesting a method which in the long run would have a far more sweeping effect than many of the suggestions made by the NDP, short of outright nationalization. We could retain a higher percentage of our oil and gas resources in Canadian ownership, in the long run, if the method I am suggesting were adopted. And we would do this without any cost to the Canadian taxpayer, except conceivably that there would be some slowdown in oil and gas exploration which in turn would result in some slowdown in tax revenues.

• (9:00 p.m.)

Geologists tell us that there is abundant oil and gas in the Northwest Territories. As it is discovered I hope the government will follow a course which will result in Canadian control rising from the present 10 or 15 per cent to perhaps 40 or 50 per cent over a 15 to 20 year period. This method would be painless, would produce results and would not cost the exploration area an insupportable loss of risk interest. If a major discovery of oil were made in the Canadian Arctic within the next few weeks there is no question of the policy I am suggesting resulting in a decrease in risk capital investment interest in that area, although I admit that if no major discovery were made for a year or two perhaps there would be some lessening of interest.

Mr. Benjamin: What is that?

Mr. Watson: Mr. Speaker, if the government were to accept my suggestion, there would be a number of alternatives; and I think we should be flexible. We could maintain the Crown's 50 per cent under a Crown control similar to the Panarctic mechanism; or we could give Panarctic the first choice; or we could give any Canadian company a chance to bid on it, including Panarctic; or we could keep it under Crown control through another corporate entity similar to Panarctic, and with this form of Crown corporation we could arrange for its development partly under Canadian and partly under foreign control.

These alternatives, with their objective being greater Canadian control, would produce better results than anything that is being done at the moment or that can be achieved through tax policies or through the Canada Development Corporation. I do not believe that the Canada Development Corporation under its present set-up—and I was critical of this in the recent debate—can achieve what the government hopes for in the resource area, because it is not designed for this. From government statements, the Canada Development Corporation will have to show a profit eventually for dividend purposes. It is therefore not suited to ventures in the north which are high-risk with no guarantee of return. That being the case, unless there is an extremely capable man at the head of the Canada Development Corporation, with some experience in mining, I believe we will end up—

Mr. Speaker: Order, please. The hon. member's time has expired.

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): Mr. Speaker, with the contributions to this debate limited to 20 minutes I could not, in conscience, presume to roam all over the north and the Canadian Arctic.

An hon. Member: Stick to Newfie.

Mr. Peddle: I shall confine my remarks to that large area, that huge land mass of Labrador which lies within the riding of Grand Falls-White Bay-Labrador. Of the 121,000 square miles comprising the riding, approximately 100,000 square miles constitute Labrador.

The motion before the House reads in part:

> That this House believes that an enlightened program of human and economic progress for northern Canada offers great opportunities for the people of this country; and that the economic and social policies of the present government have brought about confusion and delayed progress; and that it is essential to make appropriate changes in our approach in respect of northern Canada.

I think that applies very well to Labrador, Mr. Speaker, and the next part condemning the government is only a technical form. I shall probably vote for the motion, but I do not see what can be gained by dealing with that aspect of it. I think Labrador is usually described as the near north. It is made up basically of the Labrador City-Wabush area which has a combined population of about 13,000. Then there is the Goose Bay-Happy Valley area with a population of 9,000. Churchill Falls has a fluctuating population which goes up to 6,000 or 7,000, and when the project is completed it will probably go down to a couple of thousand. The only other populated area of Labrador is the very long coast line.

I shall not make any particular appeal on behalf of the Labrador City-Wabush are because I think these twin towns could be described in almost every respect as ultra modern. I do not give credit for this to any federal or provincial government; the natural resources were there, private companies saw them, realized the potential and built two very fine towns. They have every amenity from a curling rink to a golf club to a bowling alley. The only two problems in this area, which are common to Labrador, are transportation and communications. There is an excellent air service, but no road connection with the outside world. With regard to communications, the complaint for the most part is about lack of proper radio and television facilities. I will not dwell on these people tonight because whether they agree or not, they are pretty well off.

Development of Northern Canada

• (9:10 p.m.)

Up to 1½ years ago the people of Goose Bay, one of the other two populated areas in Labrador, depended 100 per cent upon the activities of the United States Air Force base. In the last year or so there has been a wood exporting operation that sort of comes and goes and seems to operate on no firm basis. Generally speaking, the economy of the area still depends for all practical purposes solely upon the operation of the base.

As was done in connection with the other, similar United States installations in Newfoundland, we have been given indications that despite assurances to the contrary there is a possibility that this base might fold. Recently a small curtailment of the activities of the base was announced, causing the people of the area great concern. Between 8,000 and 9,000 people depend solely on this base. I am asking, relative to the motion: What action is being contemplated by the government, which has a responsibility in this area, in the event that the base should close? What will it do after consulting the province? Except for a few desultory or token signs of activity, there is no sign of proposed action.

Let me say that when the base at St. John's, Newfoundland, closed the population affected was absorbed by the larger population of the town. There is no large population in Goose Bay which could absorb the people affected by the closure of the base. I have read that the Department of Regional Economic Expansion is interested in making deals with provincial governments and setting up what they call infrastructure. Infrastructure, as I understand it, is a variety of amenities that may improve the economic and social climate. It may entice or encourage industry to come into the area.

There is no sign of any infrastructure program being undertaken in Goose Bay. There is no program, apart from plans with federal participation to build a vocational training school—I do not know what good that will do—for creating an economic climate that will induce industry to the area. As I say, I do not know what good that will do or I do not know what I am talking about. I presume that the people who live in such northern communities could move to the pollution-ridden areas of the south.

I remember vividly one night this past winter boarding an aircraft to fly to Newfoundland. It was a murky evening in Ottawa, with a low cloud ceiling, the kind of ceiling that helps you to appreciate fully the odour that comes from the factory across the river. That night I could hardly breathe. At midnight I left for Goose Bay and a few hours later, five or six to be exact, I landed in Goose Bay on a frosty, clear morning. It was wonderful to get off the aircraft and breathe pure, fresh air. It smelled fresh. One cannot describe it except by saying that it smelled like pure, fresh air.

The Minister of Transport (Mr. Jamieson) has spoken about this. He appreciated that air. When he was last in that area, the major part of his speech to groups that were giving him a hard time about their various needs in communications, transportation, and so on, had to do with fresh air. The message that he left with them was, "You don't know how lucky you are." I agree with him up to a point. Fresh air is not the end-all of everything. People can only appreciate such advantages after they have been given all the other amenities of basic transportation and communications. I appreciated what the minister said, although I am not so sure that he sold the crowds any more than he has sold me at other times.

I do not want to be completely critical, Mr. Speaker. During the past few years, with the co-operation of Bell Canada and the CBC, which is not a national favourite—although I must say that there has been a fair degree of co-operation with CBC and Bell Canada during the past few years—radio communication has improved and there has been a pretty fair improvement in our telephone system in Labrador.

The areas I have talked about so far are more or less urban. Labrador City, Wabush and the Happy Valley area may not seem urban but they are. The area that captures everybody's imagination is that long, 700-mile coast line of Labrador. It is an area that this government nor any other will ever be able to computerize. You might feed the problems pertaining to Labrador City and Wabush into a computer and the answer might be that you should move the people away from the area. You could get away, perhaps, with feeding the problems of the Goose Bay area into a computer, but for the people living along that 700 mile coast line of Labrador no computer devised will really find an answer. If their problems were fed into a computer, the answer probably would be that everybody in the area should be moved to Toronto, Montreal or somewhere else. I submit that the people of the Labrador coast and people of Labrador generally are not going to accept that.

Some hon. Members: Hear, hear!

Mr. Peddle: Recently the Prime Minister (Mr. Trudeau) said that we need a new sense of human values in Canada. Apparently it is time we developed a new sense of values, not one that measures people strictly in terms of dollars and cents but more in terms of human values: we ought to pay more attention to human values. I do not know if he is about to use the slogan that he used several years ago, the just society.

I say this with all the sincerity I can muster: People from these districts have written letters to the Minister of Fisheries and Forestry (Mr. Davis) and to the Minister of Public Works (Mr. Laing) asking for a few basic facilities, costing a few thousand dollars, to help fishermen and others along the coast to keep from drowning as they pursue their daily work and try to earn a living. When they ask for a measly few dollars I presume their request is fed into a computer. When the answer is no, it is not economically feasible, I think we ought to remind the Prime Minister that the government should show these people more human consideration and not consider only dollars and cents.

I suppose most people who visit the coast of Labrador have visited it as tourists. Last summer I travelled along this coast on the coastal boat. It took approximately three weeks to get there and back. There were a number of

tourists from the United States and Europe as well as one person from Australia. Every time I looked at these people during the waking hours of the three weeks, they had their mouths open in wonderment because of the almost frightening beauty of the coastline.

• (9:20 p.m.)

We have a fairly long-standing commitment from the Minister of Transport. I do not know whether he recalls it. This matter was brought to his attention last year or the year before. Instead of serving the purpose for which they were intended, the coastal boats are catering to the tourist trade. The tourists are ending up with a cheap holiday. It cost them approximately $240 for a three-week holiday. The people of Labrador who live in this area either have to travel steerage or lie out on the deck at night. They cannot get a bunk because these are taken up by the tourists.

When this matter was brought to the attention of the minister, he said that the thought of having a tourist ship especially for this purpose was under consideration. It was an excellent idea. I am convinced that this is thinking along the right line, but it is absolutely useless to talk about it if we do not take action.

Mr. Jamieson: Find one.

Mr. Peddle: Build one. Instead of chartering, begging or borrowing a ship, build one. There are many expenses that are less justified than what I am now suggesting.

Mr. McGrath: You could call it the *Don Jamieson.*

An hon. Member: Buy back the *Bonaventure.*

Mr. Peddle: I cannot say all that I would like to in 20 minutes because I do not have the facility, articulation and eloquence of the Minister of Transport.

An hon. Member: You do.

Some hon. Members: Hear, hear!

Mr. Peddle: The minister is a professional. He was spawned by and grew up with the media. He knows how to say things that will be accepted. I have to say what I feel. I keep my fingers crossed and hope that what I say will be accepted; this is the problem I have.

Mr. Jamieson: You are doing all right.

Mr. Peddle: I know that cabinet ministers are busy. I know how busy I am. It is almost a morning to night, seven-day work week operation. I can appreciate that ministers are even more busy. However, a lot of their work, such as acknowledging letters and saying that the minister will reply in due course, can be done by the numerous underlings in the offices. I suggest that the Prime Minister, the Minister of Transport, the Minister of Public Works and the other ministers should get out in the country once in a while. They should do this at least once during their three, four or five-year term. When was the last time the Minister of Transport was on the Labrador coast?

Mr. Jamieson: Last winter.

Mr. Peddle: The minister says last winter. Maybe he was. How extensive was his tour? You do not get the feeling I am talking about by sitting in a plush office in Ottawa, feeding questions into a computer and reading the answers. Maybe I was unkind to the minister.

Mr. Jamieson: That's right. I am hurt.

Mr. Peddle: Possibly the minister does make extensive tours of the Labrador coast. Maybe the influential ministers have not been up there.

Mr. Jamieson: Thanks a lot!

Mr. Peddle: The ministers should see these dilapidated little places and get the feeling of the people, which is so relevant to this motion. They will never get this from a computer which says it is not economically feasible. I toured that coast last summer. I saw—

Mr. Speaker: Order, please. I am sure the House is anxious to know what the hon. member saw and he might be allowed to finish his sentence. But according to the Standing Orders I have the duty and obligation to inform the House that the hon. member's time has expired. With the consent of the House, the hon. member might be able to pursue his remarks or at least complete his sentence.

Mr. Jamieson: What did you see?

Mr. Peddle: I warn the House that this may be a long sentence. I thank the House for its indulgence. Sometimes I get carried away. Twenty minutes is not long enough. Mr. Speaker, I saw God-fearing people working in their fishing boats 10, 12 and 14 hours a day. They brought in loads of salmon which would command the price of $1.50 a pound in Montreal, or Arctic char, a delicacy which demands top prices in places like Montreal. Because of the dinky little stores provided by the federal government, they were filled to capacity with frozen fish. The fishermen were compelled to take their day's catch and dump it back into the sea. This is the kind of situation that is relevant to our motion. For this reason I would like to see the ministers get out of their carpeted offices. They will not find any Holiday Inns or Newfoundland Hotels on the coast, but they should visit that area at least once while in office in order to have a better appreciation of what I am saying when the very soon become members of the opposition.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, the motion now before us is of the utmost importance since it will enable Parliament to consider the possibilities of developing our natural resources in the Canadian North.

When in school, I remember having the map of Canada explained to me over and over again. I was always so fascinated by the teacher's explanations. Some years ago we could read on top of the map the words: "Dominion of Canada."

Development of Northern Canada

• (9:30 p.m.)

A few years later, the name was "Dominion of Canada" while the north changed neither in location nor in name. It was still the north, still the Arctic, still an immense territory which we were told was peopled with Eskimos and Indians, an immense tract of land unfit for white men's settlement, covered by ice and devoid of any resources men could benefit by.

Now, after reading the motion brought forward, I went out of my way to study the history of that vast territory in order to find out how it has been administered in past years, the past 90 or 100 years, and that is when I really understood why the motion has been brought before the House.

The motion is worded as follows:

That this House believes that an enlightened program of human and economic progress for Northern Canada offers great opportunities for the people of this country; and that the economic and social policies of the present government have brought about confusion and delayed progress; and that it is essential to make appropriate changes in our approach in respect of Northern Canada;

It is advisable, I believe, to take a quick look at what happened in the past and at the form of government that existed in the Northern Territories. The Act of 1869 concerning the transitional government provided for the first time for the administration of the land of Rupert and the Northwest Territories. But this legislaion was replaced by the Act of 1870.

Following the creation of Saskatchewan and Alberta the Northwest Territories government saw its status reduced to that which existed before 1870. The Act of 1905 established a council of four members appointed by the government, but no appointment was made during 16 years. An appointment was expected but none was made. After 16 years, a commissioner was appointed and given all powers that had been so far those of the Lieutenant Governor, the Executive Council and the Assembly of the Northern Territories. One man was carrying out all these duties.

The first commissioner was Colonel White, a Northern Mounted Police controller, who, from Ottawa, administered the territories, while carrying out his other duties. It is not surprising then that the North was developed very slowly, as it was administered almost in the same way as it had always been since the time of the fur trade.

It is in 1963 only that the duties of the Commissioner of the North were separated from those of the deputy minister of the federal department in charge of the administration of the northern regions. No territorial law was adopted between 1905 and 1920 and most of the orders made applied to conditions in the Prairies rather than in the region north of the sixtieth parallel.

The present act on the Department of Indian Affairs and Northern Development gives to the head of this department vast powers for the development of the northern territories, provided he gets the funds required to carry out the projects that are planned.

The present act gives him the non-allocated powers in all matters of federal jurisdiction in the North. The minister must co-ordinate in the northern territories the activities of the various federal agencies and provide and apply all measures required to ensure a greater economic expansion of the northern territories. He is entrusted with the control and management of all the vacant lands which form the major part of this vast territory. The federal government's interest and authority with regard to Northern development is mainly explained by the Act itself and the department established under the Act.

In general, the federal government is concerned with the Indians and Eskimos living in the Northern Territories where they make up a considerable portion of the population—nearly 60%—as well as with the development of most of these areas.

The territorial government has no separate and public body to provide the services which are usually available in the provinces, except for the Liquor Board. Employees of the Northern Development department carry out most of the administrative work, they teach school and provide social assistance as well as engineering work.

Since the headquarters of the territorial government is actually in Ottawa and that the commissioner and council members only visit the North occasionally, the average citizen of the northern territories cannot fully appreciate the contribution, which is still very limited, of the territorial government.

The sources of income within the jurisdiction of the territorial government are very limited. Consequently, a very rapid development of this territory is not to be expected unless the central government is willing to make its fiscal policy more beneficial to this territory.

When we read the history of the Canadian territories, we understand better why this region which contains all kinds of resources has not been developed more quickly.

The second part of the motion condemns the government for its failure to promote a truly Canadian strategy for the North based on human, capital and natural resources, and urges that appropriate policies be adopted at once that will bring about such development in that region.

The word "economy", derived from the Greek, means: good use of home resources. If we apply this definition at the national level, it is to be noticed that the word "economics" means good management of public affairs.

According to a division generally accepted, even by economists, three factors are necessary in order to provide men with the goods they need to provide for their wants: nature, work and capital. Those three factors are also necessary when the development of a given territory is concerned.

Sometimes, nature offers some resistance to man. This element is absolutely essential to the production and development of some resources, because without it human activity would be performed in a vacuum and it would be necessary to create, that is to make something out of nothing.

Whether intellectual or manual labour is concerned, it is the only reality which can be described as an active

element. Alone it can take some steps in the production and development process of our resources.

Capital is a passive element. It does not exist per se. It is derived from nature and work and is at times fully created by those who have the privilege of controlling the nation's credit.

• (9:40 p.m.)

Nature provides man with a place to dwell, to build shelters, to cultivate the soil, to harvest fruit and vegetables and to breed stocks answering his two most essential needs: food and clothing. Lastly, the subsoil provides industry with minerals and energy.

Since those three components are required in a national economy looking after the needs of its members, it is normal that society, through the organization it has provided for itself and must improve upon, should ensure conservation and control of those three components, if it wants the natural resources—whether located in the Canadian north or elsewhere—to be at the service and fill the human needs of its members, the work to be geared to the fulfilment of the needs of all—not of a few or of some privileged classes—and the instrumental component, that is capital, to serve the appropriate ends of the national economy.

We have in Canada the potential required for the Canadian government to provide for the development of the northern territory. We have there natural resources a great number of which yet to be discovered. We have engineers, tradesmen of all kinds, the most up-to-date machinery in the world which is gathering rust in manufacturers' lots.

In brief, we have everything we need to develop this vast territory, which would provide employment for thousands of young people and make Canada benefit from their abilities. They would be only too happy, once their education completed or even during the summer holidays, to help through their ability and work, people older than they are to develop Canada and to discover throughout its immense territory, in the north or elsewhere, those great resources with which the Providence has endowed our land.

In that area as in others, in order to use human labour and machinery, one must have the necessary finances. In brief, the "dollar" must be available also, which is not the case yet.

Unfortunately, it happens sometimes that without thinking too much about it we believe that the sensibility of those living in northern territories is different from ours.

But after you have met some of them and have discussed with them and when you know their customs and how they want to improve their situation, you realize how much they expect from the Canadian authorities and from the Canadian people to develop all the resources which will enable them to live decently in spite of their primitive customs.

I do not question the goodwill of the minister in charge of this territory but he does not have all the tools required to improve the plight of those northern people.

Let us grant him the funds required to develop Northern Canada and we shall find that there will be no lack of projects. I am convinced that his staff are finding new projects daily. They are in a position to submit to him the projects which would make it possible to improve the situation, and develop those territories but the minister must often tell them: I should like very much to comply with your wishes, but available funds are limited.

If it were a war project, money would be there at the right time, as we saw in the past, unfortunately, and in adequate amounts. But as it is a peace, project money is not readily available. In fact, there is none. It does not exist in sufficient amounts to implement projects which should normally be implemented during the seventies at the latest because they were not implemented before. This is too bad. It is a logical conclusion in my opinion.

I urge the government to use its majority to subdue our financial system so that it may become a perfect servant for years to come and enable Canadians to build a beautiful country that will belong to them and not to foreigners.

Mr. Speaker, those were the points that I wished to bring to the attention of the House during the debate on this very important motion concerning northern territories. I am convinced that these two days of study on this subject will cause the government to take it into serious consideration and to bring suggestions that will help improve the situation and develop these territories.

[*English*]

Mr. Paul Yewchuk (Athabasca): Mr. Speaker, development in the north has been a dream shared by millions of Canadians for many years. It was not till the period from 1957 to 1962, a period in which we had a Conservative government, that a genuine and vigorous effort was made to carry out or initiate such development. It was the continued destructive criticism levelled by the Liberal opposition of the day, just as is the case with Liberal members opposite today, which again arrested the development plan just as it was getting under way.

In considering such development every effort must be made to conserve the ecology of the region and to prevent pollution of the air and the water. The best possible living conditions must be offered white and native alike who live there now and who will be going to the north in the future. None of this can be achieved without an over-all, well prepared development policy that is based on research, study, adequate negotiations and consultation with the local residents, and a good deal of effort.

I must stress that orderly development can be achieved only with a nationwide policy of development that is acceptable to the population at large, and in this respect I think there has been a gross failure on the part of the present government. Since the Liberals returned to power in 1963 I think it is fair to say that northern development in all its aspects has been arrested.

Mr. McGrath: Remember how they laughed at the igloo to igloo policy?

Mr. Yewchuk: That is right. The construction of roads was slowed down by the discontinuance of the roads to resources program. There was a slowdown in development of other transportation systems, including the construction of airports. The government failed to continue to carry out educational planning toward the ultimate goal of establishing one or two universities in the north as well as a school system that would much more adequately serve the needs of the widespread population.

Mr. Guay (St. Boniface): Who wrote the speech for you?

Mr. Yewchuk: In response to the hon. member may I say I wrote it myself. We write our own speeches on this side. Members on the other side always get them handed to them, but we prepare our own.

Mr. McGrath: The hon. member for St. Boniface (Mr. Guay) always makes his best contributions from his seat.

Mr. Yewchuk: That is correct. The hon. member has not spoken in this or in many other debates, for that matter. This government has tightened its grip on the colonial style of government and has virtually killed any hope of provincial status for the Yukon or Northwest Territories in the foreseeable future. In industrial development, Crown corporations such as Northern Canada Power Commission, while useful in some areas are proving in other areas to be obstructive to the orderly development of private enterprise which, as has been shown on many occasions, can be much more efficient. With the new legislation before us—

Mr. Chrétien: A motion of this nature is very badly timed, because we found more oil yesterday.

Mr. McGrath: Perhaps you will discover the real north some day.

Mr. Yewhuck: If the minister wants to make a speech, I will yield the floor to him in five minutes. I have only ten minutes left, but I will share it with him.

Mr. Chrétien: I will speak tomorrow—and I will not have a prepared text, like you.

Mr. Yewchuk: If I may return to my remarks, I was saying that Crown corporations such as NCPC have proved in some areas to be obstructive to the orderly development of private enterprise, which on many occasions has proven to be much more efficient than civil service-operated corporations.

• (9:50 p.m.)

New legislation before us such as the Yukon minerals act pose greater possibilities of a slowdown of industrial development, particularly in mining. The possibility of slowdown is getting greater as the days go by. I am pleased to note that the discovery of oil was made before some of the new proposals of this government had been put into effect. I am sure they will cut down the amount of exploration going on in the north.

The slowdown possibilities posed by the Yukon minerals act are typical of this government's economic ability. There is not a comprehensive policy or strategy for this vast area of our country. We have seen nothing but an ad hoc approach and the Canadian people, particularly those of the north, are not benefiting from the kind of northern development that is possible and should be in motion at the present time.

In human and natural resources Canada is probably the world's richest country. Under the feeble guidance of the government this potential lies idle and useless. The Economic Council of Canada has estimated that Canada has lost $3 billion a year in income and jobs because of the economic ineptitude of this government. I think it is fair to say that with the present high rate of unemployment, the sagging economy and the decrease in personal income, the Canadian economy desperately needs a stimulus. The Liberal government has failed to come to grips with this need. The most obvious answer lies in the development of the rich potential of the north.

The Department of Regional Economic Expansion has made a feeble effort in what is known as the mid-Canada corridor, with its high resource potential and its sparse population. The approach used has not been in the context of an over-all development strategy, and for this reason alone this government should be served with an eviction notice at the next election.

For many years the Progressive Conservative Party has been a leader in the discussion of how best to utilize our northern resources. We must rekindle this spirit and vigorously press this slothful government for immediate and significant action. As I have mentioned, unemployment at the present time is worse than at anytime since the depression days of the 1930s, but we continue to export our raw resources and by that method we export thousands upon thousands of jobs to other nations. Why are we not developing resources here in Canada? Why are these raw materials not being processed right here? We have the know-how, the manpower and the money to do it. We have a good credit rating if we need more money. What is required is simply a government with development policies. We do not have that.

In considering northern development we must recognize that Canada has need of nationwide purpose. Canada needs a common objective behind which our citizens can gather to contribute individual talents and energies. We are in a position of being able to learn from others' mistakes in the past and avoid repeating them.

At the moment the majority of our population occupies a narrow strip along our southern border and the rest of the country is a tremendous, undeveloped area. We must avoid exploitation and a degradation of Canadian natives. We must avoid uncontrolled pollution of air, water and land. We must avoid indiscriminate destruction of what is in effect the only remaining, virtually untouched, habitable region left on this continent.

We have a unique opportunity. We know there is a need in the world for our natural resources and we should strive to develop them ourselves. We should develop them in a positive way, to the greatest benefit of

our citizens. Perhaps it is time to reconsider and rethink the old ideas that our country's greatness depends upon exploitation and export of our raw, natural resources, particularly by high-subsidized corporations which some people consider virtually steal these resources from us to use in their own manufacturing processes, creating jobs in their own country and selling back the finished products at a very handsome profit. This seems to be the basis of the present government's policy. I say it is an outdated policy.

I do not want to be misinterpreted. I should not like anybody to think I am saying we do not need foreign capital. I do want hon. members to think I am saying the government has a responsibility to create an economic climate and mechanisms which would allow Canadians to do more of the developing and have the opportunity to play a greater role in solving unemployment problems and improving the economic despair which has been hanging over us since this government's policies have had the opportunity of becoming effective.

Any program to develop the north must take into account mid-Canada and the Arctic as distinct geographic belts. Development strategy should relate roughly to three distinct parts. There should be a separate program for the development of mid-Canada, there should be a separate program for the development of the Arctic, and there should be an over-all, co-ordinating program whose principal function would be to provide the various support facilities necessary for the implementation of development strategies for mid-Canada and the Arctic region.

Under such a program the rights of the indigenous people must be protected. This matter has been raised on many occasions in the House of Commons. The Minister of Energy, Mines and Resources (Mr. Greene) and the Minister of Indian Affairs and Northern Development (Mr. Chrétien) have indicated that the native people along the Mackenzie Valley have been consulted with regard to the proposed Mackenzie Valley pipeline construction. Information given to me by the residents of the area would indicate that no such consultations have been held. I notice the minister looking in the other direction as I make these comments. I hope he can give us some information on this matter.

Mr. Chrétien: I am looking straight at you and your red shirt.

Mr. Yewchuk: The same applies to the future of the Eskimo. Adequate planning and consultation with these people must also be carried out, since in the development program their present method of gaining a livelihood may well be seriously altered, if not obliterated. Therefore, a plan of development must include a detailed plan for the development of these human resources in order to ensure that they are not simply overrun by machines from the south.

An hon. Member: That's Socialism.

Mr. Yewchuk: That is Conservatism. Protection of the environment cannot be overlooked. A massive effort in research is still required as against the token efforts now being made by the government. It seems rather ironical that this government is objecting to the TAPS system, proposing the Mackenzie Valley pipeline as an alternative, but as yet there has been nothing like the amount of research required before constructing a Mackenzie Valley pipeline without causing irreparable harm to the ecology of the area.

An hon. Member: Ten o'clock.

Mr. Yewchuk: It will take five or ten minutes to complete my remarks, Mr. Speaker, so perhaps we should call it ten o'clock.

Mr. Speaker: Perhaps the House would allow the hon. member to complete his remarks, if he requires only another five minutes. I must inquire whether hon. members want the Chair to call it ten o'clock.

Some hon. Members: Agreed.

Mr. Speaker: I am not sure what hon. members are agreeing to.

An hon. Member: An extra five minutes.

Mr. Speaker: Do hon. members agree that the hon. member be allowed to complete his remarks?

An hon. Member: It is ten o'clock.

Mr. Yewchuk: I know that hon. members would not want to hear any more of this tomorrow.

Some hon. Members: Hear, hear!

An hon. Member: You have your cheering section along with you tonight.

Mr. Yewchuk: With regard to natural resource extraction, an orderly program of exploration and development of our lumber, mineral and water resources is required, along with assessment and exploration of oil and gas reserves. In respect of an over-all, co-ordinating program, adequate transportation systems must be developed. There must be a re-establishment of the roads to resources program. There must be a further development of rail facilities. There must be greater research into the transportation of oil and other resources from the high Arctic.

• (10:00 p.m.)

As you know, Mr. Speaker, Panarctic is spending millions of dollars on exploratory work and many of these millions are public funds, but the Minister of Energy, Mines and Resources has indicated that he has not even thought of having research undertaken on how to transport oil from the high Arctic Islands if it is found in that area. That is rather startling when you consider the kind of expenditures being made. We still do not have any idea of how high Arctic oil will be taken to market so that a return may be realized on the investment.

There is some thought of a pipeline from the high Arctic, but there is no evidence that this is in fact a realistic mode of transportation, say of gas from Chris-

tian Island. Shipping is another possibility. But it is a United States company that has done most of the research, with the *Manhattan* project, into this method of transportation. We are told that Baffin Island is the site of some of the world's largest iron ore deposits. It would appear that an initial investment of $150 million would provide sufficient capital to bring one of these deposits into production. Therefore, why is this deposit not being developed? Could it be because of the failure of this government to assume, wholly or in large part, the cost of providing the infrastructure facilities required to service an entire area?

It could be that the development of a government-sponsored Arctic shipping network could satisfy these requirements. It could be that construction of a modern townsite at Mary River—the site I referred to—would put to better use government funds now spent at Inuvik or Frobisher, where there is little or no industrial base and little to support the native peoples there except welfare.

Mr. Speaker, I should like to conclude by again referring to the native population. I quote from the *Globe and Mail* of May 7 with respect to Indians in the Northwest Territories:

> There is a growing feeling among Indian leaders in the Northwest Territories that Indians are being used as guinea pigs.
>
> They feel that Indians have been overtaken with a subtle implementation of the basic concept of the federal government's supposedly discarded white paper Indian policy.
>
> The basic concept of the white paper policy was to bring about integration of Indians into Canadian society by granting them equality through such measures as the abolition of the Indian Act and the disbanding of the Indian Affairs Department.
>
> Indians reacted strongly against the policy proposal saying that it was simply a sop to white liberal ideals of equality which would result in the eradication of what remained of the rights granted to them for surrender of their land.

Again may I say that government policy which seeks to achieve healthy, productive and economically secure lives for the native peoples of Canada must respect their cultural heritage and traditions. The Canadian Indian must be free to choose to live in or away from his native community without prejudicing the opportunities available to him to enjoy the standard of living and quality of life of other Canadians. In both the formulation and application of such a policy the native peoples must be fully consulted and fully involved.

Once again, Mr. Speaker, thank you for your indulgence.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AGRICULTURE—POTATOES—ASSISTANCE TO PRINCE EDWARD ISLAND GROWERS

Mr. David MacDonald (Egmont): Mr. Speaker, I appreciate the opportunity to pursue with the Minister of Agriculture (Mr. Olson) on this adjournment debate a question of very great concern to the people of Prince Edward Island. I am glad the minister is here this evening. This is an encouraging indication from him, I hope, of his interest and concern for the agricultural situation in Prince Edward Island.

[Mr. Yewchuk.]

I must confess quite frankly that from the answers the minister has given the hon. member for Malpeque (Mr. MacLean) and myself during the past few weeks I wondered whether he was either well informed or concerned about the very serious situation existing in respect of the agricultural industry in Prince Edward Island. For some weeks the hon. member for Malpeque and myself have been attempting to find out from the minister what forms of assistance his department envisaged in terms of the very real problems that exist in the potato industry in Prince Edward Island.

It is no secret to anyone acquainted with the marketing of potatoes over the past few years that for some years now we have experienced very depressed markets, particularly in the marketing of table-stock potatoes. As a result, a number of farmers have tried to diversify into other forms of agriculture or into the growing of seed potatoes. But we in Prince Edward Island are in a particularly distressing condition this year. That is why on Thursday of last week I asked the minister again—it was not a new question; it had been raised on a number of occasions—whether in view of the very depressed conditions of agriculture in PEI and the recent submissions by the provincial Minister of Agriculture, he was prepared to indicate what forms of assistance would be forthcoming to the potato growers as they faced heavy expense in buying fertilizer and seed.

As those involved in the industry know, there is a particularly distressing problem at the present time in terms of farmers having sufficient funds to be able to get on the land and engage in spring planting. There is the heavy expense—particularly so this year, I might say—involved in the purchase of seed because of a crop which was not altogether satisfactory last fall due to a damp period during harvesting, as well as disease, as a result of which the number of people who have usable seed this spring is smaller than usual. All this is an extra expense to PEI farmers. There is the added expense of fertilizer. With fertilizer, as with most of the costs relating to agriculture, there have been regular increases, I think particularly so during the last couple of years.

The minister's response to me last Thursday was simply to indicate that at the present time potatoes were going at a very high price. I was really shocked by this answer—shocked to think he would deal with the potato industry of Prince Edward Island in such a cavalier fashion. He must know, if he knows anything about the potato industry, that the number of farmers who would have any usable stock of potatoes for sale would be minimal, almost to the point of non-existence. For farmers, particularly this year, it was hard for them to hold stocks for any length of time and most had to sell their stocks last fall, during the winter or early in the spring. It was a shame for the minister to suggest that now that prices are somewhat higher this would be of assistance to the producers.

That is why on Monday I presented a motion in the House urging the government to consult immediately with the province of Prince Edward Island to formulate a program this week of immediate assistance. This should not have come as any great surprise. Indeed, the party presently in power, about three years ago—I believe when the Minister of Energy, Mines and Resources (Mr. Greene) was Minister of Agriculture—initiated a program of acreage payments of, I think, $25 per acre which was of considerable assistance in terms of giving farmers sufficient financial resources with which to purchase badly needed seed and fertilizer.

I am wondering, Mr. Speaker—I do not really like to mention this—if we have not seen, because of the minister's unwillingness to act in this matter, a further instance of government policy to force a number of people to stop growing potatoes in Prince Edward Island. It is a rather brutal method, but I am told that one of the recommendations in a publication from his department suggests that there should be less potatoes grown this year. Well, that certainly will be the case so far as Prince Edward Island is concerned, because already too many farmers have been driven to the point of bankruptcy or have had to sell off their farms by way of farm auction. I quote the words of one rural banker the other day when he said to me, in terms of the crisis into which too many farmers have been forced, "This is the worst I have ever seen."

When the minister quotes, as he did on Monday in reply to the hon. member for Malpeque, the long-term averages, when we look at the situation on the basis of long-term averages that really do not make the present situation look very serious, I suggest he is trying to divert attention away from the problem, particularly when he includes New Brunswick with PEI. I would remind the minister that the agricultural situation is very different, in terms of potatoes, between PEI and New Brunswick.

Mr. Speaker: Order. The hon. member's time has expired.

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, as I previously advised the hon. member, I had a very useful meeting with the ministers of agriculture of Prince Edward Island and New Brunswick. At that time they submitted a formal proposal requesting assistance. The agricultural stabilization board, of course, have been considering the proposal and they have not closed out consideration of it, but there are a number of things we have to take into account.

• (10:10 p.m.)

While it is true that for a very short period the price of potatoes to producers dropped to a very low level, since then prices have strengthened significantly and are now higher than they have been in three of the last five years. I am sure the hon. member would be interested in noting that the estimated return to all growers in Canada for the 1970 crop year was approximately 90.4 per cent of the long-term average, and that Prince Edward Island and New Brunswick growers returns were 98.1 per cent and 94.8 per cent, respectively, of their long-term averages. The return to the producers in Prince Edward Island, as a percentage of the long-term average, was higher than any other province for the 1970 crop year.

I do not wish to comment on the problems that agricultural producers are having with respect to purchasing seed, fertilizer and so on. I am sure the hon. member realizes that when we initiate an assistance program we must take into account the total returns to producers from their crops.

Motion agreed to and the House adjourned at 10.14 p.m.

HOUSE OF COMMONS

Wednesday, May 12, 1971

The House met at 2 p.m.

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill S-19, an act respecting the Royal Victoria Hospital, to which the concurrence of this House is desired.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

AGRICULTURE

Fifth report of Standing Committee on Agriculture—Mr. Beer.

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

First report of Standing Committee on External Affairs and National Defence—Mr. Wahn.

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

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NATIONAL SECURITY

EXPIRY OF PUBLIC ORDER (TEMPORARY MEASURES) ACT—TABLING OF LETTER CORRECTING ERROR IN LETTER FROM PRIME MINISTER TO PREMIER OF QUEBEC

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to table copies in English and French of a letter written by the Prime Minister to the Prime Minister of Quebec, dated today, correcting an inadvertent error that was made in his letter to Mr. Bourassa of May 7.

* * *

HARBOURS

STATEMENT ON PORTS POLICY

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, in August of last year I invited comment from interested parties on a number of proposals designed to improve the operation and development of our major Canadian ports. The response was gratifying both in terms of the number of submissions and the comprehensive nature of the various suggestions advanced. In addition to receiving a number of written submissions, I met with various representative groups particularly from the Vancouver, Montreal and some of the major Atlantic ports to discuss at first hand with them their particular suggestions and problems.

Although the submissions received represented a very wide range of different and sometimes conflicting views there was unanimity on two basic principles. First, there is a continuing and increasing need for federal participation in comprehensive planning of port development on a national basis. In determining the federal role, it has become clear to me that the situation is not precisely the same for every major commercial port. Indeed, there is a diversity of practices that will need to be reconciled, but I am convinced that the federal role can be achieved best through the closest co-operation with the provincial governments and even more particularly with those concerned with the particular ports themselves.

Second there is a clear need for more local involvement in the day to day operation of our major ports and for more effective communications between these local groups and the federal departments and agencies with responsibilities in these fields.

• (2:10 p.m.)

To meet this second objective, I propose to create local port authorities for each of the nine major ports now administered by the National Harbours board, namely and from west to east, Vancouver, Churchill, Montreal, Trois-Rivières, Quebec City, Chicoutimi, Saint John, N.B., Halifax and St. John's, Newfoundland. Details concerning the responsibilities and make-up of each of these authorities will be worked out through consultation. In general terms, I can say that each group will be as representative as possible of all local interests, including management and labour, municipal and provincial authorities. Each will have a good deal of autonomy, including consultation in the appointment of port managers, the preparation of budgets, forward planning and all other important matters.

In order to strengthen still further the expressed desire of many to bring the decision-making process closer to the actual ports, rather than having much of it centered in Ottawa, we will change the system that has seen all four members of the National Harbours Board resident in the capital. In future, one member of the board will reside in Vancouver with special responsibility for dealing with western ports and one will reside in Montreal with similar responsibilities for the east.

Also, since there are major port developments on the west coast that are outside the normal activities of the National Harbours Board, but which are of great present or potential economic importance, we intend to appoint a senior official of the marine transportation administration

of the Department of Transport to co-ordinate all port developments in British Columbia and to serve as the department's direct liaison with various harbour interests. This official will, of course, be resident in British Columbia.

These steps alone should do much to answer the need for local autonomy and for shorter lines of communication. In addition, there is a need for co-ordinated planning at the national level and for a means through which the various port authorities can be kept informed of what is taking place in other parts of the country.

To answer this need we will establish a National Ports Council. It will be chaired by the marine administrator of the Department of Transport, and its membership will consist of nominees from the port authorities and, as well, from the various harbour commissions throughout the country. In addition, because inland provinces without harbour facilities have a vital interest, nevertheless, in how our major ports are administered, we will invite the provinces to name representatives to the National Ports Council. This council, and thus indirectly, the port authorities and commissions will act as advisors to the Department of Transport and the National Harbours Board.

One of the first assignments to be given the council will be the task of monitoring how the new system is functioning and to make recommendations for additional improvements. Some who submitted briefs in recent months have suggested that some ports now under the National Harbours Board should become, instead, commission harbours under the present Harbour Commissions Act. There was a wide divergence of views on this point and, in any event, much study is needed to assess fully the wisdom and practicability of such a transfer.

Since the National Ports Council will in fact be making recommendations about the total system and what ports should remain under the National Harbours Board or, alternatively, what ports might be granted commission status, it would be premature in my view to alter the legislation affecting the National Harbours Board until such recommendations are received. It is my intention, however, to announce soon the appointments of new members for the National Harbours Board and, at as early a date as practicable, the names of those who will serve on the National Ports Council.

In addition, representatives to the local ports authorities will be named without extensive delay because quite clearly the functioning of the National Ports Council is contingent upon their appointment.

I am sure that all those concerned will agree that this is a practical step which the government is now taking to ensure that Canada's ports remain strong and viable. At the same time, it ensures that private initiative is integrated in an effective way with the general objectives of the federal government which must be concerned with the good of all Canadians and not just of any particular vested interest or indeed particular region.

When I announced the reorganization of the new federal transportation complex a little over a year ago, I stated one of the purposes of change was to adopt new principles designed to co-ordinate, stimulate and balance regulation, operation and development throughout the entire transportation system. I also emphasized the greater emphasis which was to be given to decentralization of responsibility and to the concept of financial viability through the balanced use of the principle of cost recovery. The new ports policy is not only consistent with this objective but an important step in carrying it forward.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I thank the Minister of Transport for having provided the Official Opposition with a copy of his statement in advance so that we might have the opportunity to prepare a reply. We welcome this statement by the minister on his new ports policy. Since his announcement of last August, all those concerned with the activities of various ports have anxiously awaited details of his proposal.

In general, we in the Official Opposition agree with the objectives set forth—to decentralize responsibility and ensure financial viability. We realize that this is simply a statement of objectives and that machinery is to be set up to hammer out the details of the program. A determination as to which ports shall remain under the National Harbours Board and which shall receive commission status will emanate from discussions with the parties concerned.

We hope the minister will be receptive to having the Standing Committee on Transport and Communications visit the ports concerned to make an assessment of the situation and present its recommendations to the National Ports Council.

We trust that any changes in the administration will not interfere with the present efficient operation of the ports and that proper consideration will be given to the existing labour force and that there will be no undue dislocation of the same.

We note that the new council is to make recommendations for additional improvements. We suggest that the council should constantly review policies and present an annual report on its findings. I would hope that when policy is finally formulated under the set-up of the new board there will be a greater measure of control than exists under the present board. I hope there will not be a repetition of unauthorized people settling or squatting on harbour commission property, with the expensive litigation that has followed.

The program as outlined will give a greater degree of responsibility to the local port set-up but we are wondering what will be the situation with respect to policy-making. It is not clear from the minister's statement who will be responsible for policy-making. Will it be the National Ports Council, the Minister of Transport or the port authorities themselves? Will the Ports Council also be responsible for co-ordinating the activities of the various ports?

I welcome the suggestion by the minister that the National Harbours Board should be decentralized so that the four commissioners will no longer reside in Ottawa. I note that one commissioner will be stationed in Vancouver, and another in Montreal to handle the affairs

of all the ports in eastern Canada. I urge the minister to give consideration to stationing a port commissioner in the Atlantic provinces. As a Maritimer himself, I am sure he will agree with me that the Atlantic ports are different in their nature from the port of Montreal and that sometimes they are in competition with Montreal. We fear that if all control is centralized in Montreal decisions may sometimes be taken to the detriment of the more active ports in the Atlantic provinces. I ask the minister to consider this point when final decisions are made as to setting up the board.

• (2:20 p.m.)

I reiterate that we welcome this proposal of the minister. We hope he will go along with the suggestion of letting the Standing Committee on Transport and Communications assess the situation, and that as a result of their recommendations, plus the recommendations made by the many people concerned, this board will soon be established.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I should like to thank the minister for having provided us with an opportunity to have an advance look at his statement. The announcement he has made today is, in my opinion, an important one because I think no member of the House would argue that the ports of Canada are not one of our most important national assets in a great trading nation.

The basic principle of the minister's statement is, I think, one with which we can all concur, namely, that while we must recognize our harbours as a national asset and national responsibility, there is a need for flexibility in administration and for some degree of local autonomy in their operations. I realize that this statement, in the minister's own words, is simply a rough outline of the steps that are to follow, and therefore we cannot at this point arrive at any definitive conclusions as to how these proposals are going to work.

I am glad that the minister has made reference to the need for greater attention to be paid to the management of harbours generally on the Pacific coast and to the fact that special attention is going to be given to existing problems. I cannot help but interpolate that I hope one of these days some of the smaller fishing ports about which I have been bugging the minister for some time will receive similar attention. As far as our major export ports are concerned, I think the idea of having local administrative bodies that will be autonomous except in matters of major general national policy is sound.

One of the questions that has been raised in many quarters about the operation of local harbour authorities is as to who is going to take the initiative in making appointments. This is one point that I had hoped the statement of the minister would clarify, but it did not. While the minister says that these bodies are to be generally representative, he does not say who is to have the determining voice as to who in fact those representatives will be. This is a point that I hope he will clarify very shortly because I think it is of real concern to many people. Does the authority to appoint rest entirely in the hands of the minister, or does it depend on the appointing authority of local bodies, such as city councils or provincial governments, labour bodies and that sort of thing? I regret that the minister has not clarified this point in his statement because I think it is one of the keys to any judgment and assessment of how well his proposed system is likely to work. I can only say that we will be watching very closely the developments that take place in the coming months.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to congratulate the Minister of Transport for making his statement available to us in both official languages.

According to this statement, the minister realizes that the situation is not the same in all Canadian ports. That is to his credit! However, he attempts to define the function of the federal government in the administration of those ports.

There is mention of sharing responsibilities and carrying out studies. In the latter case, there is rapid progress, but with regard to realizations, it is not the same thing. As a matter of fact, 100 years ago, our country ranked fourth among countries having a merchant marine, and ours numbered over 1,000 units. Well, today Canada does not own more than two, and I feel that is reason enough for a minister to wonder about the part which the government should play in water transportation.

The minister reveals in his statement his intention to create a National Ports Council. To my mind this is another gimmick within the whole gimmick. It is another agency to create jobs for certain gentlemen who are seeking a role in the administration of the country. It is true that the establishment of a National Ports Council would put to use some offices across the country, but this would also mean the employment of a few more civil servants.

Since our country has 60,000 miles of coastlines, which is more than twice the circumference of the globe, and since we have such a great number of unemployed in Canada, we Créditistes would really have preferred to learn of the establishment of a merchant marine.

* * *

[*English*]

TRANSPORT

NEWFOUNDLAND RAILWAY SERVICE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise to move a motion under Standing Order 43 for the usual reasons. A recent statement by the Canadian Transport Commission enunciated and accepted principle of that body to ensure the continuance of transcontinental passenger service to meet the needs of the Canadian public. Two years ago the elimination of rail passenger service in the province of Newfoundland rendered that goal unattainable. Today the downgrading and impending elimination of passenger, express and freight service further displaces this national goal. I therefore

move, seconded by the hon. member for Gander-Twillingate (Mr. Lundrigan):

That the complete question of rail service in Newfoundland be referred to the Standing Committee on Transportation with a directive from this House that the province of Newfoundland be granted equal status in line with the objectives of the rail transportation policy as stated by the Canadian Transport Commission.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Humber-St. George's-St. Barbe. This motion requires the unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity so the motion cannot be put.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

*AIR CANADA—MAPLE LEAF LOUNGES

Question No. 718—**Mr. Orlikow:**

How many Maple Leaf Lounges or other similar facilities does Air Canada maintain on its system, and (a) where are they located (b) what is the purpose of their existence (c) what customers of Air Canada are permitted to use the facilities of the Maple Leaf Lounge (d) what is the cost of their operation for (i) rent (ii) labour (iii) furnishings (iv) food (v) liquor and beverages?

[*Translation*]

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, since the answer to that question is rather long, with the leave of the House, I would like to table it so that it may be reported in *Hansard* and considered as having been read.

Mr. Speaker: Does the House agree?

Some hon. Members: Agreed.

[*Editor's Note: The abovementioned answer reads as follows:*]

The management of Air Canada advises as follows: 1. 17. (a) Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montreal, Halifax, St. John's, Nfld., Los Angeles, Chicago, Cleveland, New York, Prestwick, London, Paris, Bermuda, and Kingston, Jamaica. (b) To meet similar competitive services provided by other airlines. (c) First class passengers and on occasion to some other passengers. (d) As stated above these services are supplied in order to meet competition provided by other airlines. In the circumstances it is not considered to be in the best interest of the company to disclose the cost factors.

[Mr. Marshall.]

[*English*]

TRANSPORTATION OF POISONOUS SUBSTANCES

Question No. 761—**Mr. Fairweather:**

1. Did a poisonous chemical escape from a canister being shipped by rail to Halifax, Nova Scotia and, if so (*a*) what was the nature of the shipment (*b*) where did it originate (*c*) what was its ultimate destination?

2. Was the shipment part of a United States consignment to Sweden?

3. Was the product Canadian in origin or manufactured and produced in compliance with a patent held by Morton Chemicals of Woodstock, Illinois, USA?

4. At what point during the shipment was the leakage discovered?

5. Are there any special regulations governing shipment of poisonous substances by rail, road, air or water in Canada and, if so, what are they?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. Yes. (a) Nine 45-gallons drums of mercuric fungicide; (b) Regina; (c) Gothenburg, Sweden.

2. Information not available.

3. Information not available.

4. Saint John, N.B.

The Department of Transport advises as follows:

5. Rules can be obtained from the following sources:

Rail: Regulations for the Transportation of Dangerous Commodities by rail.

Air: Canadian Air Regulations (1960) and Department of Transport Air Services Information Circular 0/22/64, as well as the International Air Transport Association Restricted Articles Regulations.

Water: Canadian Shipping Act Dangerous Goods Shipping Regulations.

For the movement of radioactive materials, International Atomic Energy Agency rules have been adopted and are incorporated in the regulations mentioned above. The transport of explosive materials is treated specifically in the Explosives Act and Regulations.

Regulations of trucking has in the past been in the hands of the Provinces and information as to the rules which exist for the transport of hazardous commodities by highway may be obtained by contacting directly the various Provincial governments.

STUDY OF HEALTH AND MORTALITY RATES OF MEMBERS OF PARLIAMENT

Question No. 792—**Mr. MacRae:**

Has any department ever made a study of the health conditions, mortality tables, *et cetera*, of the Members of the House of Commons comparable to that carried out a few years ago in the British House of Commons?

Hon. C. M. Drury (President of the Treasury Board): The only study which has been made is on the mortality experienced by Members of the House of Commons in connection with the establishment of the Members of Parliament Retiring Allowances Act.

SNOWMOBILE SAFETY RESEARCH

Question No. 801—**Mr. Hales:**

For each research project on snowmobile safety standards mentioned by the Minister of Transport on January 19, 1971, at page 2536 of *Hansard* (a) to whom was the grant given (b) what is the purpose of the grant (c) what is the amount of the grant (d) when are the results of the research to be given to the government (e) is it expected that the research findings will be made public?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): (a) A research project has been awarded Hovey & Associates, Vehicle System Engineers, Ottawa. (b) The purpose of this research project is to carry out a detailed examination of the design and operation of snowmobiles, to identify areas of design, construction or equipment that are related to their safe operation, and to form the basis for development of additional snowmobile safety standards. (c) The amount of this research contract is $45,500. (d) The final results are expected by the end of May, 1971. (e) When the results of the research project have been received consideration will be given to this.

AIR CANADA—INCREASE IN BUSINESS—IMPROVEMENT OF YARMOUTH SERVICE

Question No. 1,017—**Mr. Comeau:**

1. By how much has the air service business increased over the past five years and by how much can the service be expected to increase before larger aircraft are needed?

2. (a) How long have Viscounts been used by Air Canada (b) have these aircraft been paid for (c) have the revenues from Viscount flights been sufficient to pay for the cost of the aircraft?

3. When calculating earnings, what percentage is allocated to improvement of the Yarmouth service?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. Statistical data in this regard may be found in monthly and quarterly reports issued by the Dominion Bureau of Statistics under the heading Transcontinental and Regional Air Carrier Operations, Air Carrier Operations in Canada and International Air Charter Statistics. In addition significant statistics relating to Air Canada may be found on pages 22 and 23 of the company's printed Annual Report for the year 1970. The need for larger aircraft is related to a combination of factors such as volume of traffic at any given point or on any given route and the frequency of service that it is desirable to provide.

2. Viscounts have been used by Air Canada since 1955. The present Air Canada fleet of Viscounts is now fully depreciated.

3. The company does not allocate any specific percentages of total earnings to service improvements at specific points, but rather develops a service plan each year based upon estimated growth and service requirements related to expected revenues and operating costs.

Questions

CBC—CANADIAN PROGRAMS

Question No. 1,089—**Mr. Yewchuk:**

1. Is any provisional data available which would give the number of new (a) Canadian producers (b) production of Canadian feature films, since CRTC decision to provide for more Canadian programs on television and, if so, what is the approximate number of increases for both groups?

2. What financial assistance will the government give to CBC and private broadcasters who will be needing bigger budgets to meet CRTC requirements of Canadian programs on television?

3. Which educational institutions in Canada offer courses in (a) the development (b) the techniques (c) the social and artistic functions of film and television?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. I am informed by the Canadian Radio Television Commission that no provisional data is available. It is somewhat early for the CRTC to assess the effects of the new Television Broadcasting Regulations in terms of new Canadian producers and production of Canadian feature films, since the regulations only began to apply to the CBC on October 1, 1970, and will not apply fully to private stations and networks until October 1, 1972.

2. The Government will continue to give financial assistance through the presently existing channels, i.e. annual Parliamentary grants to the CBC, and CFDC aid to the private feature film industry.

3. Studies in various aspects of communications are now widespread in universities and colleges across Canada. A considerable number of post-secondary institutions are now equipped with broadcasting and film studios and provide both background courses and practical experience in producing films and television programmes. Information regarding courses available is contained in "A Guide to Film Courses in Canada" published by the Canadian Film Institute.

[*English*]

OTTAWA INTERNATIONAL AIRPORT—GROUND TRANSPORTATION FRANCHISE

Question No. 1,164—**Mr. Peddle:**

1. What is the name of the company which now holds the ground transportation franchise at Ottawa International Airport?

2. What is the yearly fee charged to this company by the government for this franchise?

3. To what extent is this company obligated by contract to provide limousine service to and from Ottawa International Airport?

4. What is the duration of the present contract covering ground transportation to and from the Ottawa International Airport?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. Blue Line Taxi Company Limited.

2. The fee formula is 5 per cent of the gross revenue derived from the bus service to and from the airport, and 15 cents for each taxicab trip carrying passengers from the airport. The amount paid to the ministry for the fiscal year ending March 31, 1970 was $16,998.

Questions

3. The company is obligated to provide ground transportation services in accordance with directions as may be determined by the Regional Director at Toronto from time to time. The operator is expected to provide limousine (bus) service to and from the airport to meet scheduled flights and to provide taxicabs to meet the demand at the airport.

4. The contract became effective January 1, 1969 for a term of one year, continues on a year to year basis, and may be terminated on six months' notice.

AIR CANADA—DICONTINUANCE OF FLIGHTS

Question No. 1,180—**Mr. Blouin:**

Does Air Canada intend to discontinue some of the Montreal-Sept-Îles flights in the near or distant future?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: Effective with the introduction of the summer 1971 schedule on April 25, Air Canada will discontinue service to Saguenay. One of the services to be discontinued will be the Viscount flight which operates over the routing Montreal-Quebec-Saguenay-Sept-Îles. Air Canada will continue to operate services nonstop Montreal-Sept-Îles and one stop Montreal-Quebec-Sept-Îles with the frequency in future dependent on traffic demand.

WETLANDS (POT HOLE) LEASING PROGRAM

Question No. 1,181—**Mr. Dinsdale:**

1. How much money has been expended on the wetlands (pot hole) leasing program for each year since it was inaugurated?

2. How many (a) acres (b) persons have been involved each year?

3. Where have the major leasing areas been located?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): 1. Amount expended on the wetlands leasing program since it was inaugurated:

	Annual Amount	Annual Cumulative Amount
1967-68	$171,408	—
1968-69	124,692	$296,100
1969-70	40,000	336,100
1970-71	—	336,100

2. (a) Number of acres involved each year:

	Annual Number of Acres	Cumulative Number of Acres
1967-68	29,088	—
1968-69	32,272	61,360
1969-70	13,170	74,530
1970-71	—	74,530

(b) The total number of landowners involved is now 3,123.

[Mr. Duquet.]

3. Major Leasing Areas: (a) Alberta—Counties of Lamont and Beaver. (b) Saskatchewan—Municipalities of Lumsden, Dufferin, Sarnia, Craik, Big Arm and Arm River. (c) Manitoba—Municipalities of Roblin, Turtle Mountain, Morton, Alinchester, Whitewater and Rossburn.

CBC—NUMBER OF MINISTERS AND MEMBERS INTERVIEWED ON "PRÉSENT" PROGRAM

Question No. 1,197—**Mr. Comtois:**

Between September 1, 1970 and March 1, 1971, how many federal and provincial Ministers and how many federal and provincial Members of Parliament have been interviewed on the CBC "Présent" program (a) what are their names (b) on what dates?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: Sixty-eight. (a) and (b) Federal Members: R. Matte (R.Cred.), September 7, 1970; Hon. J. Chrétien (Lib.), September 7, 1970; Hon. G. Pelletier (Lib.), September 8, 1970; G. Clermont (Lib.), October 7, 1970; A. Fortin (R.Cred.), October 21, 1970; Hon. M. Asselin (P.C.), October 29, 1970; P. De Bané (Lib.), October 29, 1970; A. Lambert (R.Cred.), October 29, 1970; P. De Bané (Lib.), November 12, 1970; Hon. H. Gray (Lib.), November 13, 1970; A. Ouellet (Lib.), November 17, 1970; Hon. M. Asselin (P.C.), November 17, 1970; D. Lewis (NDP), November 19, 1970; Hon. J. L. Pépin (Lib.), November 26, 1970; C.A. Gauthier (R.Cred.), November 30, 1970; R. Matte (R.Cred.), November 30, 1970; P. De Bané (Lib.), December 14, 1970; A. Ouellet (Lib.), January 4, 1971; Hon. J. L. Pépin (Lib.), January 22, 1971; Hon. J. L. Pépin (Lib.), January 25, 1971; Hon. H. Gray (Lib.), January 28, 1971; Hon. G. Pelletier (Lib.), January 29, 1971; R. La Salle (P.C.), February 1, 1971; P. De Bané (Lib.), February 10, 1971.

Provincial Members: M. Tessier (Lib.), September 11, 1970; C. Samson (Rall. Cred.), September 15, 1970; C. Laurin (PQ), September 15, 1970; R. Paul (UN), September 15, 1970; G. D. Levesque (Lib.), September 17, 1970; P. Laporte (Lib.), September 23, 1970; G. Brown (Lib.), September 25, 1970; B. Dumont (R.C.), September 25, 1970; M. Cournoyer (Lib.), September 28, 1970; L. Lessard (PQ), September 30, 1970; M. Tessier (Lib.), September 30, 1970; C. Castonguay (Lib.), October 5, 1970; G. St. Pierre (Lib.), October 7, 1970; J. G. Cardinal (UN), October 7, 1970; J. P. Cloutier (UN), October 12, 1970; M. Léger (PQ), October 12, 1970; R. Bourassa (Lib.), October 30, 1970; J. J. Bertrand (UN), November 9, 1970; C. Vincent (UN), November 9, 1970; M. Masse (UN), November 9, 1970; J. P. Cloutier (UN), November 9, 1970; F. Lafontaine (UN), November 9, 1970; W. Tetley (Lib.), November 25, 1970; Hon. R. Bourassa (Lib.), November 25, 1970; Hon. R. Bourassa (Lib.), November 26, 1970; G. Tremblay (Lib.), December 1970; G. St. Pierre (Lib.), December 3, 1970; M. Beaulieu (UN), December 8, 1970; M. Tessier (Lib.), December 9, 1970; J. J. Bertrand (UN), December 10, 1970; Hon. R. Bourassa (Lib.),

December 10, 1970; J. G. Cardinal (UN), December 14, 1970; F. Cloutier (Lib.), December 15, 1970; M. Ostiguy (Lib.), December 15, 1970; M. Beaulieu (UN), January 5, 1971; C. Castonguay (Lib.), January 13, 1971; C. Castonguay (Lib.), January 20, 1971; G. Springate (Lib.), January 25, 1971; J. P. L'Allier (Lib.), January 28, 1971; V. Goldbloom (Lib.), February 1, 1971; K. Drummond (Lib.), February 4, 1971; J. Cournoyer (Lib.), February 18, 1971; R. Burns (PQ), February 16, 1971; C. Laurin (PQ), February 16, 1971.

[*English*]

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—INCOME DERIVED FROM COMPUTER SERVICES

Question No. 1,208—**Mr. Robinson:**

What income, if any, is derived from the computer services provided by the Department of National Health and Welfare (a) from other departments (b) from sale or services to industry (c) to provincial government departments (d) to municipalities?

Hon. John C. Munro (Minister of National Health and Welfare): The Department of National Health and Welfare does not derive any income from its computer services.

RESEARCH STUDIES ON MOVEMENT OF SOLIDS BY PIPELINE

Question No. 1,222—**Mr. Lambert (Edmonton West):**

1. Has CTC recently entered into any agreement with any Research Council or similar organization of or in any of the western provinces for a feasibility study of the movement of coal or other solids by way of pipeline and, if so (a) on what date (b) with whom (c) for what amount (d) what was its purpose and other pertinent detail?

2. (a) Is there authority for the power and ability to enter into such a research agreement and, if so, what is it (b) what is the source of funding such a project?

3. Is CTC aware of lengthy research studies on the movement of solids by pipeline conducted by the Research Council of Alberta on behalf of a syndicate, transportation, oil companies and others funded by a research grant from the former Department of Industry in or about the year 1965 and, if so, how would the first mentioned study differ in purpose, etc., from that conducted by the Research Council of Alberta.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The Canadian Transport Commission advises as follows: 1. and 2. The Canadian Transport Commission has entered into an agreement with the Research Council of Saskatchewan to undertake studies and research to prepare "large-scale slurry property data appropriate to suitable candidate commodities for transmission in pipelines". This agreement was signed on December 24, 1970; however, the negotiations leading up to this agreement commenced in detail in the early spring of 1970. The Treasury Board submission for an amount not exceeding $400,000 was made on July 6, 1970. Funds for the project are to be allocated as follows: $104,000 fiscal year 1970-71; $121,000 in 1971-72; $130,000 in 1972-73; and $45,000 in 1973-74. The purpose of the research into slurry pipeline hydraulics at S.R.C. is to: (a) provide CTC with appropriate technical information on the design of slurry pipelines from which appropriate costing and subsequent economic analyses can be made on that portion of the slurry pipelines system interfacing between the slurry preparation and the slurry reconstitution plants at the source and destination locations respectively; (b) encourage the consolidation of a Canadian Team to undertake meaningful large scale research and development into the hydraulic design of slurry pipelines; (c) make known, to the Canadian public, all technical information directly arising from the research.

The Saskatchewan Research Council, under this agreement is: (a) not attempting to investigate either the technical or economic feasibility of specific commodity movements by pipeline; (b) not attempting to study directly the technology of slurry preparation, reconstitution, subsequent movement of the slurry commodity by other transport modes or other related areas.

In a specific sense, the objectives of the physical research at the Saskatchewan Research Council are to study the hydraulic performance of metallurgical and thermal coal, iron concentrates, potash and sulphur in a water-base slurry in pipelines. Studies will be carried out in 2/4/6/8/10/12-inch diameter pipe test loops. The conditions under which the tests are to be carried out are to be as close to commercial situations as is possible.

Surveys of certain industries have shown that a great interest exists in industry to obtain large scale slurry technical information. Even certain consultants in related fields, who claim that they have considerable large scale data, stated that there are several unknown areas such as start-up characteristics, grade control criteria, and erosion and corrosion problems. These are areas of investigation within the S.R.C. program. Subsequent to the initial industrial survey, members of the Coal Consumers and Producers Association have shown very serious interest in the possibility of moving not only metallurgical but thermal coal by slurry pipelines, and have offered their assistance in the practical orientation of the coal slurry research.

The authority to enter into this Agreement is the 1967 National Transportation Act, Section 15.

The source of funding the project as a whole is Vote 55, Canadian Transport Commission main estimates for the fiscal year 1970-71 and for all subsequent years to March 31, 1974, from the Transport Development Agency.

3. CTC is aware of the research carried out by the Research Council of Alberta on the Transport of Commodities in capsule form. CTC. is, however, also aware that the Research Council of Alberta has not investigated the hydraulic performance of large scale slurry pipelines at their facility. The nature of these two types of solids pipelines is completely different. The research, therefore, carried out at RCA. for the future (sponsored by T.D.A.) is not similar to the SRC. work, in subject or in nature.

Questions

INDUSTRIAL MILK QUOTAS

Question No. 1,267—**Mr. Nesbitt:**

Were any industrial milk quotas transferred from Ontario to Quebec between January 1, 1970 to March 31, 1971 and, if so, how many?

Hon. H. A. Olson (Minister of Agriculture): It is only since Ontario and Quebec introduced market quotas on December 1, 1970 that the Canadian Dairy Commission has maintained readily available records of the origin of subsidy quota transferred between these provinces. From December 1, 1970 to March 31, 1971, 350 quotas have moved from Ontario to Quebec.

LEGISLATION WITH RESPECT TO ACTIVITIES OF BANKS

Question No. 1,315—**Mr. Rodrigue:**

Does the Minister of Consumer and Corporate Affairs intend proposing legislation with respect to the activities of banks?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Consideration is being given as to how to deal with agreements among the chartered banks on certain banking services. Government policy will be announced in due course.

CBC—NUMBER OF TECHNICIANS AND ARTISTS EMPLOYED IN PRODUCTION "ZOOM"

Question No. 1,316—**Mr. Caouette:**

1. How many technicians and artists were employed by CBC in the production of the program "Zoom" of April 4, 1971?

2. What was the cost (a) in wages (b) in material (c) in travelling expenses?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. The production of the program "Zoom" on April 4, 1971 required the services of 83 technicians and artists, including 22 singers and 17 musicians, for a total of 2,400 hours of work in all categories, such as scenery, props, carpentry, graphics, costumes, stagehands painting, make-up, and production crew.

2. The cost of this program was within the budget allocated for the purpose. It has not been customary to require the Corporation to disclose such detailed information about individual programs.

[*English*]

COME-BY-CHANCE, NFLD.—ANTI-POLLUTION MEASURES WITH RESPECT TO CONSTRUCTION OF OIL REFINERY

Question No. 1,333—**Mr. Carter:**

Has the Government of Canada given final approval for all or any anti-pollution measures with respect to the proposed construction of an oil refinery at Come-by-Chance, Newfoundland and, if so, on what dates?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): No.

[Mr. Duquet.]

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMPORTATION OF VEHICLES FROM THE UNITED STATES

Question No. 793—**Mr. Robinson:**

1. How many motor vehicles (automobiles, trucks, tractors and other wheeled vehicles) have been imported to Canada from the United States in each year 1960 to 1970 inclusive?

2. What is the value of the imports in each of the same years?

3. What is the balance of payment situation between Canada and the United States for each of the same years?

Return tabled.

IMPORTATION OF VEHICLES FROM JAPAN

Question No. 794—**Mr. Robinson:**

1. How many motor vehicles (automobiles, trucks, tractors and other wheeled vehicles) have been imported to Canada from Japan in each year 1960 to 1970 inclusive?

2. What is the value of the imports in each of the same years?

3. What is the balance of payment situation between Canada and Japan for each of the same years?

Return tabled.

IMPORTATION OF VEHICLES FROM SWEDEN

Question No. 795—**Mr. Robinson:**

1. How many motor vehicles (automobiles, trucks, tractors and other wheeled vehicles) have been imported to Canada from Sweden in each year 1960 to 1970 inclusive?

2. What is the value of the imports in each of the same years?

3. What is the balance of payment situation between Canada and Sweden for each of the same years?

Return tabled.

IMPORTATION OF VEHICLES FROM WEST GERMANY

Question No. 843—**Mr. Robinson:**

1. How many motor vehicles (automobiles, trucks, tractors and other wheeled vehicles) have been imported to Canada from West Germany in each year 1960 to 1970 inclusive?

2. What is the value of the imports in each of the same years?

3. What is the balance of payment situation between Canada and West Germany for each of the same years?

Return tabled.

IMPORTATION OF EGGS INTO CANADA

Question No. 1,176—**Mr. Lambert (Bellechasse):**

Did Canada import eggs during the years 1968, 1969, 1970 and January and February of 1971 and, if so (a) what were the quantities imported in each of those periods (b) from what countries (c) at what price?

Return tabled.

ROYAL COMMISSIONS

Question No. 1,216—**Mr. Sullivan:**

1. How many Royal Commissions are investigating or inquiring into specific subject-matters?

2. What are the dates on which each received their terms of reference?

3. What is the subject-matter of the terms of reference of each?

4. What are the names of the Commissioners?

5. On what date is each report expected?

6. What was the cost to the government of each Commission to March 22, 1971?

Return tabled.

Mr. MacLean: Mr. Speaker, I rise on a point of order. Before the remaining questions are allowed to stand I should like to ask that questions 1,098 and 1,100, both standing in my name, be allowed to be dropped as I have already been furnished with the information requested.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

• (2:30 p.m.)

Mr. McCutcheon: Mr. Speaker, on November 12, 1970, six months ago today, I placed a simple question on the order paper asking for an audited financial statement of the affairs of the Blue Water Bridge Authority. This question was taken in order that certain disturbing rumours that were circulating about the financial operations of the Authority could be brought to an end. As the seconder of the bill originally establishing the Authority in 1964 I have a particular interest.

Mr. Speaker: Order, please. I must interrupt the hon. member. I hope he will not make a speech. I do not believe a motion that the remaining questions stand is debatable. The practice that hon. members may inquire whether or not a specific question will be answered has been allowed, but I do not think it should be the occasion of a speech on the part of an hon. member who is complaining that his question has not been replied to or a speech on the part of the parliamentary secretary in reply. I assume the hon. member will put his question as soon as possible.

Mr. McCutcheon: Thank you very much, Mr. Speaker. As the seconder of the motion on the bill I feel a moral responsibility and I would hope the government would see fit to answer this simple question soon.

Mr. Jerome: Mr. Speaker, the hon. member was good enough to speak to me about this matter last week and following this I have had the matter reviewed. I did have some information on it this morning and I hope to be able to table a reply soon.

Mr. Orlikow: Mr. Speaker, I have been on my feet weekly for the last month or more asking the parliamentary secretary when I may have an answer to question 79 which was not only placed on the order paper on October 8 but was also on the order paper last session. It has been there for a year or more. I do not think it is that difficult a question. The parliamentary secretary has been very nice and has assured me the answer is coming. I am anxious to know when it is coming.

Mr. Jerome: Mr. Speaker, I am unable to give any assurance to the hon. member at this time, but we are working on it.

Motions for Papers

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notice of Motion for the Production of Papers No. 217 is acceptable to the government subject to the usual reservations concerning confidential documents.

[*Translation*]

Mr. Speaker: Subject to the conditions stated by the parliamentary secretary, is it the pleasure of the House that Notice of Motion No. 217 be deemed to have been adopted?

Some hon. Members: Agreed.

[*English*]

STUDY CONDUCTED BY CANADIAN BECHTEL LIMITED ON FEASIBILITY OF NORTHERN SMELTER OPERATION

Motion No. 217—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by Canadian Bechtel Limited on the feasibility of a northern smelter operation.

Motion agreed to.

Mr. Jerome: I ask, Mr. Speaker, that the other notices of motions be allowed to stand.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

UNEMPLOYMENT—INCLUSION ON AGENDA OF FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Prime Minister whether the question of unemployment will be placed upon the agenda of the forthcoming federal-provincial conference as has been requested by, among others, the premier of Ontario?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the question of the agenda of course has to be agreed to by all members of the conference. I agree with the Leader of the Opposition that Mr. Davis has asked that this be done. However, I cannot answer the question until the first ministers have a discussion concerning what the agenda will contain.

CONSULTATION WITH PROVINCES ON MEASURES USED TO FIGHT INFLATION

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question for the Minister of Finance, Mr. Speaker. In relation to the policies of the government for which the Prime Minister now accepts the blame in terms of the creation of unemployment, I should like to ask the Minister of Finance whether there was consultation with the provinces and agreement by

the provinces with regard to these policies which created unemployment?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as I recall the sequence of the policies with regard to the fight against inflation, there was consultation with the provinces and general agreement by the provinces that this was a major problem in Canada and that all governments must do all they could to fight inflation in the country.

Mr. Stanfield: Mr. Speaker, I should like to ask the Minister of Finance very directly whether he or some other minister of the government consulted the provinces and secured their agreement to the adoption of policies deliberately designed to slow down the economy and therefore create unemployment, for which the Prime Minister now accepts the blame, despite all the difficulties they would create for the provinces?

Mr. Benson: Mr. Speaker, there was consultation with the provinces at several meetings of first ministers, and Ministers of Finance and provincial treasurers, at which this was agreed to be the major problem in Canada and at which it was agreed that certain things, including some wage guidelines, would be adhered to by the provincial and federal governments. I must say that beyond the meeting at which this was agreed some of the provinces at least were not noteworthy in carrying out the voluntary guidelines with regard to wage settlements in respect of their own employees.

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FEDERAL-PROVINCIAL CONFERENCE

PARTICIPATION BY REPRESENTATIVES OF YUKON AND NORTHWEST TERRITORIES

Mr. Erik Nielsen (Yukon): Mr. Speaker, I should like to ask the Acting Prime Minister whether the government has made provision with regard to the forthcoming federal-provincial conference for the inclusion of representation of the councils of the Yukon Territory and Northwest Territories at that conference?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will take notice of the question and if the Prime Minister is not here tomorrow I shall endeavour to answer it.

[*Translation*]

INCLUSION OF UNEMPLOYMENT PROBLEM ON AGENDA OF FORTHCOMING MEETING

Mr. Speaker: Is the hon. member for Témiscamingue rising for a supplementary?

Mr. Réal Caouette (Témiscamingue): Yes, Mr. Speaker. I have a supplementary question for the Acting Prime Minister.

Since the agenda of the federal-provincial conference will not necessarily be established or submitted exclusively by the provinces, and the federal government will have a say in the matter, does the government intend to suggest discussion of the alarming unemployment situation at the conference?

[Mr. Stanfield.]

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am quite confident that whether in this Parliament or among the first ministers there will be discussion about economic conditions in Canada. Whether that discussion should take precedence over the importance of agreeing upon a formula for amendment of the constitution and other matters is, I think, a question of judgment. I would hope that this meeting and all members of the House would agree that we should make as much progress upon the question of constitutional reform as possible.

* * *

THE CANADIAN ECONOMY

UNEMPLOYMENT—ASSISTANCE TO PROVINCES AND CITIES ALLEGEDLY INJURIOUSLY AFFECTED BY FEDERAL GOVERNMENT POLICIES

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I have a question for the Acting Prime Minister. In view of the fact that the government has now admitted its role in the unprecedented high unemployment the country faces, is the government now reconsidering its position and is it now in a position to state it is prepared to help the provinces and cities which have been practically bankrupted as a result of the policies of the government?

Mr. Speaker: Order, please. The hon. member is not asking a question; he is making a statement. The hon. member knows very well that a question cannot be asked in those terms. Perhaps he could make it easier for the Chair by rephrasing the question.

Mr. Alexander: I will rephrase the question, Mr. Speaker. Would the Acting Prime Minister indicate whether, as a result of the government's fiscal and monetary policies, the government is now in a position to give further assistance to the provinces and cities which have been injuriously affected?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not accept the premise of the question. I think the policies followed by the government have resulted in a stronger Canada than would otherwise have been the case, and if one doubts this one should look at the situation throughout the world in respect of inflation.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Winnipeg North on a supplementary and then I believe we should move on to the next subject. If hon. members have further supplementaries on this subject a debate could develop. Hon. members will know, of course, that when argumentative questions are asked argumentative answers are given and we have a debate rather than questions and answers. However, I think we might allow the hon. member for Winnipeg North to ask a supplementary and then we will continue with the next subject.

CONSULTATION WITH PROVINCES ON MEASURES USED TO FIGHT INFLATION—MANITOBA RESERVATION RESPECTING WAGE RESTRAINTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a supplementary question to the Minister of Finance. When the government of Canada discussed the question of its restraint program with the provincial governments, is it not true that the government of Manitoba entered reservations with regard to the federal government's proposals, including the reservation that wage restraints should be implemented only if restraints on other forms of income, including rents and profits, were included along with wage and salary restraints?

Hon. E. J. Benson (Minister of Finance): Yes, Mr. Speaker. I think that at the particular meeting about which my hon. friend is talking, which was a meeting of Ministers of Finance and provincial treasurers, such a condition was suggested by the province of Manitoba. It was also indicated by some provinces, as indicated by some members of the opposition, that they really did not care about inflation.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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PUBLIC SERVICE

CLYNE COMMITTEE RECOMMENDATION FOR WITHDRAWAL OF RIGHT TO BARGAIN COLLECTIVELY FROM CERTAIN EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to direct a question to the President of the Treasury Board. It is supplementary to one that I asked yesterday and which I would have asked had Your Honour not rung the bell at the end of the question period. In view of the minister's statement to me yesterday regarding the removal of top public servants from collective bargaining, which the minister said was a request for a prejudging of the review, may I put the following question to the minister. In view of the fact that on April 26 the Prime Minister gave tacit approval to this recommendation,will the government not relieve the apprehension of top public servants by stating that the government has not taken the position of approving the Clyne committee recommendation in this respect?

Hon. C. M. Drury (President of the Treasury Board): I would repeat again that to make a judgment now, and in fact to report a decision or to suggest a decision, would be prejudging the issue. I cannot share the hon. gentleman's view that top civil servants are apprehensive about the Clyne committee report.

Mr. Knowles (Winnipeg North Centre): If the minister feels that it is not appropriate to prejudge the situation, why did the Prime Minister do so on April 26 when he tabled the Clyne report?

Mr. Speaker: Order, please.

[*Translation*]

COMMUNICATIONS

JURISDICTION OVER TELECOMMUNICATIONS AND BROADCASTING—FEDERAL POSITION

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Secretary of State.

Could the minister tell the House whether he has strengthened his position by defining government policy in respect of federal jurisdiction in the field of communications and more particularly in broadcasting?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I don't know exactly what the hon. member has in mind when he talks of strengthening my position. The positions that I have expressed so far and which are those of the government are, in my opinion, firm. I can only say to the hon. member that we shall formulate them more precisely in a very short while.

JURISDICTION OVER TELECOMMUNICATIONS AND BROADCASTING—DISCUSSIONS WITH QUEBEC AND ONTARIO AT FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to ask a question to the Secretary of State.

According to the news we receive with regard to communications, Ottawa would be ready to negotiate while Quebec is entering the field. Would the minister tell the House whether the federal government has started negotiating with the Quebec government and if so, what reply did it receive?

Mr. Speaker: I suggest that the hon. member's question, including the preamble, has been put previously. Should I be mistaken, the minister is free to answer it, but I think that this question has been asked before.

Is the hon. member for Charlevoix seeking to ask a supplementary?

Hon. Martial Asselin (Charlevoix): Mr. Speaker, my supplementary is as follows:

Will the Secretary of State produce a working paper at the next premiers conference in Victoria in order to start discussions with Quebec and Ontario on telecommunications?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I cannot answer this question by yes or no. I realize that the agenda of the Victoria conference is not an accordeon, in the sense that it cannot be extended indefinitely. On the other hand, should the premiers request that this issue be put on the agenda and should the government ask me to produce a paper, of course my department would be ready to do so.

Mr. Roch La Salle (Joliette): Mr. Speaker, may I ask a supplementary question?

Mr. Speaker: I now recognize the hon. member for Joliette, for a supplementary.

[*English*]

May I bring to the attention of hon. members that quite a few supplementary questions have been asked on the original three questions. I suggest to hon. members

that we attempt to limit supplementary questions at this point because obviously a number of hon. members are seeking the floor.

[*Translation*]

The hon. member for Joliette.

Mr. La Salle: Thank you, Mr. Speaker.

Referring to yesterday's answer given by the Prime Minister to the effect that discussions have already opened between Quebec and Ottawa officials and taking into account the wishes of both Quebec and Ontario concerning telecommunications, I would like to ask the hon. minister if he is in a position to say whether his government will allow the provinces to take part in the formulation of the federal policy on this matter?

Mr. Pelletier: Mr. Speaker, this question seems rather vague. I have already indicated—and I believe it to be the government's position—that there have been discussions aimed at dividing responsibilities especially in production where all producers in Canada will have to do their share in the field of broadcasting if we want to meet the requirements of a consistently developing system.

* * *

[*English*]

AGRICULTURE

INTERPROVINCIAL MARKETING—SUPREME COURT HEARING—CONSULTATION WITH PROVINCES TO ACHIEVE COMMON POSITION

Mr. J. H. Horner (Crowfoot): I should like to direct a question to the Minister of Justice with regard to the desirability of the Canadian government and the provinces agreeing on a constitutional position. Has he consulted the Attorneys General of the provinces with regard to the position they might take at the Supreme Court hearing with regard to the Manitoba appeal court decision on interprovincial trade so that the federal government and the provinces might take a united stand at the Supreme Court hearing?

Hon. John N. Turner (Minister of Justice): In the course of the usual proceedings the factums representing the positions of the various provincial governments and that of the federal government will be presented to the court and argued out before that court.

Mr. Horner: I know it will be argued out before the court, but my question was whether there has been any prior arrangement by the federal Minister of Justice in consultation with the Attorneys General of the provinces so that they might present a united argument at the Supreme Court hearing? Has there been any prior consultation?

Mr. Turner (Ottawa-Carleton): I have had certain informal conversations with some Attorneys General, including the Attorney General of Manitoba. It is within the interests of the Attorneys General to represent their provinces as they see fit. I have said to the hon. member and the House that I intend to defend the constitution through counsel at the Supreme Court level.

[Mr. Speaker.]

Mr. G. W. Baldwin (Peace River): When these factums are filed and are available publicly, will the minister table copies of the factums so the House can decide if the government is defending the constitution or has only a watching brief?

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NATIONAL SECURITY

SCOPE OF TERMS OF REFERENCE OF SPECIAL JOINT COMMITTEE

Mr. Eldon M. Woolliams (Calgary North): My question is to the President of the Privy Council. It concerns the motion to establish a special joint committee which as I understand will be debated tomorrow. The answer to this question may give some direction and determine the length of the debate. The terms of reference contain the following words:

—the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future—

Does the President of the Privy Council agree that the alleged crisis that took place last fall would be material evidence under the terms and conditions of that motion?

Hon Allan J. MacEachen (President of the Privy Council): I think the terms speak for themselves. It was not intended that it would be a back-looking motion but rather one looking to the future.

Mr. Woolliams: Does the minister not agree that, in preparing legislation for the future in reference to a possible crisis, what occurred in the province of Quebec and what occurred in Parliament with regard to legislation would be material evidence to assist the committee to come to a conclusion?

Mr. Speaker: I suggest to the hon. member that this would be a relevant argument to make tomorrow when the matter is before the House.

Mr. Woolliams: May I say with the greatest respect, Mr. Speaker, that unless the House wants the debate to last a considerable length of time this simple and straightforward question should be answered. I have asked a straightforward question and if the minister says yes the debate might be shortened accordingly.

Mr. Speaker: The hon. member has put the question. I did not dispute the question in the first instance, but he asked it a second time and I suggest that perhaps this is debating in advance a matter which will be before the House tomorrow. I had some doubts as to the original question by the hon. member. I took into account the circumstances which he brought to the attention of the House, but I do not think it would be helpful to have the question asked a second time.

Mr. Woolliams: I rise on a question of privilege, Mr. Speaker. As far as I can see, the whole motion is a sham and a whitewash.

Mr. Fairweather: I have a supplementary and related question, Mr. Speaker.

Mr. Speaker: I will recognize the hon. member in a moment. For the time being I recognize the hon. member for Nanaimo-Cowichan-The Islands.

FISHERIES

REQUEST FOR ANNOUNCEMENT OF INCOME SUPPORT PLAN PRIOR TO FINAL DEBATE ON UNEMPLOYMENT INSURANCE BILL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Fisheries and Forestry. Several weeks ago the minister undertook to bring forward his income support program for fishermen before we debated finally the unemployment insurance legislation. Can the minister tell the House how soon we may expect that income support program to be provided to hon. members?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, it has not been possible to bring it forward in time for the first year of operation of the new unemployment insurance plan and therefore the matter should be reviewed in that light.

Mr. Douglas: In view of the fact that members will have to make a decision with respect to the unemployment insurance legislation which allows the government to remove fishermen from the benefits of that legislation, will the minister be able to give the House, some time before that legislation is dealt with, an outline of the kind of income support program for fishermen that he has in mind?

Mr. Davis: Mr. Speaker, there is provision under the new unemployment insurance plan, as it has been explained and introduced in the form of legislation, for coverage for commercial fishermen for the indefinite future. I do not expect to be in a position to outline an alternative plan for catch insurance before the unemployment insurance legislation is passed.

RETENTION OF UNEMPLOYMENT INSURANCE BENEFITS FOR FISHERMEN PENDING NEW PLAN

Mr. John Lundrigan (Gander-Twillingate): I have a supplementary question for the Minister of Labour, Mr. Speaker. Can the minister assure the House that the present unemployment insurance benefits to fishermen will remain part of the present unemployment insurance legislation until a plan is brought in which will assure them of at least as good a position as they now hold under the old legislation?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I think this promise has been made many times by the Minister of Fisheries and Forestry. The present plan provides coverage of fishermen in the same manner and on the same basis as in the past. I understand it is the intention of the Minister of Fisheries and Forestry to introduce some time in the indefinite future, I think he said, a plan that will be comparable and acceptable to the industry.

Mr. Speaker: Order, please. I again suggest to hon. members that we will soon be running short of time and we have already had two supplementaries on that question.

Inquiries of the Ministry

FINANCE

OIL AND GAS EXPLORATION INDUSTRIES—CONSIDERATION OF POSITION IN PREPARING INCOME TAX CHANGES

Hon. Marcel Lambert (Edmonton West): I have a question for the Minister of Finance, Mr. Speaker. Can the minister tell the House whether he has become aware of the deficit that has arisen in the discovery of oil reserves in the province of Alberta as against the utilization of present stocks, and has he taken note of this in the preparation of income tax changes as they deal with resource development industries, in particular the oil and gas industry because this is one of the very serious positions that is affecting the future discovery of oil and gas reserves?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have heard the representations of my hon. friend and similar representations made earlier.

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INDUSTRY

MAINTENANCE OF OPERATION OF McBEAN COAL MINE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, I wish to raise with the Minister of Energy, Mines and Resources a question I have raised previously. Is the minister in a position today to announce if a decision has been reached regarding the request of the Nova Scotia government for a $2 million grant to allow the McBean mine to continue in operation?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I am not in a position to so announce today, but discussions are continuing with the Nova Scotia government.

Mr. Muir: In view of the minister's answer may I ask him if it is the intention of the government to continue to use the 200 miners involved at the McBean mine and their families as political pawns in the Central Nova by-election?

Mr. Speaker: Order, please. The hon. member for South Shore.

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EXTERNAL AFFAIRS

DISCUSSIONS WITH FRANCE ON PHASING OUT OF FISHING ACTIVITIES IN CANADIAN WATERS—NEGOTIATIONS WITH OTHER COUNTRIES

Mr. Lloyd R. Crouse (South Shore): I have a question for the Minister of Fisheries and Forestry, Mr. Speaker. Would the minister indicate when he expects to hold discussions with the French authorities on the thorny question of phasing out their fishing activities in the Gulf of St. Lawrence and in areas adjacent to Nova Scotia and Newfoundland?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I understand there will be preliminary discussions beginning next week.

Mr. Crouse: Following those discussions will the minister consider making a statement on motions at an early date outlining any progress made in the discussions with the French as well as indicating whether any progress has been made in discussions with Portugal, Spain, Italy, Denmark and the United Kingdom?

Mr. Davis: I shall certainly consider that proposal, Mr. Speaker.

Mr. Speaker: Order, please. I believe the hon. member for Oshawa-Whitby has a supplementary to a previous question and I will recognize him shortly. For the moment the hon. member for Gander-Twillingate has a supplementary.

VISIT BY PRIME MINISTER TO SOVIET UNION—DISCUSSION OF DEPLETION OF CANADIAN FISHING STOCKS BY RUSSIANS

Mr. John Lundrigan (Gander-Twillingate): My supplementary is directed to the Acting Prime Minister. Can he indicate whether, when the head of our government visits the Soviet Union next week, discussions will be held on the east coast fishery and the depletion of our fishing stocks by that country, as promised by the Prime Minister about six months ago?

Hon. Mitchell Sharp (Acting Prime Minister): I shall draw this to the Prime Minister's attention, Mr. Speaker. I am sure he will want to discuss with the Soviet authorities all important matters of Russian-Canadian relations.

Mr. Lundrigan: Mr. Speaker —

Mr. Speaker: Order, please. Again I bring to the attention of hon. members and of the hon. member for Gander-Twillingate that about 25 members of his party and as many members of other parties are awaiting an opportunity to ask their questions and we should limit supplementaries.

Mr. Lundrigan: Mr. Speaker, I shall forgo my supplementary but I should like to say that I have no intention of limiting supplementary questions on the east coast fishery after six or seven weeks have passed with hardly a question on a matter of such importance.

Mr. Speaker: Order, please. Will the hon. member please resume his seat. The hon. member knows that according to the procedures and the Standing Orders supplementary questions are in the jurisdiction of the Chair. When 25 or 30 members are seeking an opportunity to ask their questions it is difficult to determine at what point we should try to go on to the next subject. I know that hon. members feel very strongly about certain questions and I apologize if I make a mistake and go on to the next question too soon, but I can assure the hon. member for Gander-Twillingate that I try to be as fair as possible.

[Mr. Crouse.]

Mr. Lundrigan: Mr. Speaker, in the last two years questions have been raised in the House a number of times about the 40-minute question period. Perhaps I should raise a question of privilege and say that if matters of vital importance, such as the east coast fishery, have to be circumvented and cut short because of the 40-minute question period, then it is time to reassess the fact that we are being guillotined by this kind of rule in the House of Commons.

Some hon. Members: Order!

Mr. Lundrigan: It has been brought to the attention of the Speaker on a number of occasions that we cannot get our points across sometimes in the 40-minute period, and when we would like to pursue in some detail the matter of foreign fishing off our shores we are not able to do so because debate is not permitted on many occasions when we would like to do it so in the House of Commons.

Mr. Speaker: Order, please. That is not a question of privilege at all in my opinion. The hon. member has an interesting point when he says that we cannot consider all matters of importance during the question period. This is obvious as there are only 40 minutes allotted. I suggest to all hon. members that the question period was never designed for exhaustive debate on all important matters that are under consideration or of interest to members at any one time. I suggest that hon. members have to exercise discipline to some extent, co-operate with other members and give others an opportunity to ask their questions. It is as simple as that.

Mr. Lundrigan: A supplementary question—

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Gander-Twillingate on a supplementary, but we have already taken five minutes on this point and to my mind that is highly unfair and unreasonable.

Some hon. Members: Hear, hear!

Mr. Lundrigan: My supplementary question is to the Minister of Fisheries and Forestry. Would the minister request that during the Prime Minister's visit to the Soviet Union he seriously and formally discuss with that government the matter of the exploitation, rape and depletion of our fishery resources off the east coast of Canada so that we will get an official position from them on the conservation and management of these resources?

Hon. Jack Davis (Minister of Fisheries and Forestry): Yes, Mr. Speaker.

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HEALTH

REPORTED DISPENSING OF SO-CALLED ABORTION PILLS BY DOCTORS IN HULL AREA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In light of reports that so-called abortion pills are being dispensed by doctors in the Hull area and

in light of the proven uselessness and indeed danger of such pills, will the minister investigate the matter and take steps to warn the public?

Hon. John C. Munro (Minister of National Health and Welfare): I shall certainly have the matter investigated, Mr. Speaker, and report back later.

Mr. Speaker: I shall return to the hon. member for Oshawa-Whitby whose supplementary was lost in the shuffle a moment ago.

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CAPE BRETON DEVELOPMENT CORPORATION

EXPANSION OF COAL PRODUCTION AT NO. 20, COLLIERY, GLACE BAY

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, during that shuffle I seem to have lost the minister as well so I shall refer my question to his parliamentary secretary because it is of very real importance. I am informed that the minister is behind the curtain. Perhaps he is listening. Would the Minister of Regional Economic Expansion inform the House whether or not he has taken action on the request by the provincial member for Cape Breton East that the minister bring about an expansion of coal production at No. 20 colliery, Glace Bay, as one important means of dealing with the 25 per cent level of unemployment?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I did not hear the question.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond wants to answer for the minister, but perhaps the hon. member who asked the question might ask it again. The question period will not be charged with the few seconds used to rephrase or put the question the second time.

Mr. Broadbent: Thank you for your indulgence, Mr. Speaker. I will omit the preamble. Can the minister inform the House whether he has taken steps to bring about an expansion of production in No. 20 colliery, Glace Bay?

[*Translation*]

Mr. Marchand (Langelier): Not to my knowledge, Mr. Speaker, but I could ask what are the plans of Devco in that regard and report to the hon. member.

* * *

[*English*]

FISHERIES

SWORDFISH—RESUMPTION OF OPERATIONS BY FISHERMEN—PROTECTION OF PUBLIC IN SALE FOR HUMAN CONSUMPTION

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, my question is not about coal and is directed to the Minister of Fisheries and Forestry. Now that swordfish are considered safe for human consumption, when will the minister make a public announcement that will allow our swordfishermen to resume operations?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I have not heard that all swordfish have been cleared for human consumption.

Mr. MacInnis: Since the minister has said that he has not heard that swordfish have been cleared for human consumption, am I to take that his departmental officials are watching the sale of this commodity closely in order to protect the public?

Mr. Davis: Mr. Speaker, we have been watching swordfish and other fish very carefully. Tests are carried out at all times and only fish which pass our very strict standards are allowed to be sold on commercial markets.

Mr. MacInnis: Mr. Speaker, I rise on a question of privilege. This is a matter of great concern to each and every member of the House and each and every staff member of the House. I ask the minister, what kind of operation is he running in that department? He has publicly stated that his departmental officials are carefully watching this commodity; yet on May 11, yesterday, the parliamentary restaurant served swordfish.

Some hon. Members: Oh, oh!

An hon. Member: You walked into that one, Jack.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Davis: Mr. Speaker, on a question of privilege, all fish that are sold commercially, and this applies not only in Canada but to Canadian fish sold commercially abroad, have first been tested and our department's inspection service guarantees that it is safe for human consumption.

Mr. Speaker: In any event, it appears that some hon. members have survived.

Some hon. Members: Oh, oh!

Mr. Speaker: I will allow the hon. member one more supplementary, but I remind hon. members that only five minutes are left before the end of the question period.

Mr. MacInnis: Mr. Speaker, may I raise a further question of privilege. Why did the minister announce the policy that prevents swordfishermen from taking these fish from the ocean, because they cannot be tested until they have been caught? Why does he not allow them to take the fish and subsidize their operation if there is anything wrong with the fish?

Mr. Speaker: Order, please. That is not a question of privilege.

Inquiries of the Ministry

UNEMPLOYMENT INSURANCE

SUGGESTED EXTENSION OF SEASONAL BENEFITS BEYOND MAY 15

Mr. John Gilbert (Broadview): Mr. Speaker, may I direct my question to the Minister of Labour. Inasmuch as seasonal benefits payable under the unemployment insurance plan expire on May 15, is it the intention of the minister to extend that date, in order to prevent workers from going on welfare and thereby imposing a heavy financial burden on the municipalities?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I cannot presume that everybody who comes off unemployment insurance goes on welfare. I am sure the hon. member would not want to mislead the House in that regard. I have no intention at present of extending seasonal benefits beyond May 15.

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[*Translation*]

FINANCE

REQUEST FOR GRANT TO LA MAISON DU CHÔMEUR, MONTREAL

Mr. Léonel Beaudoin (Richmond): Mr. Speaker, I would like to put a question to the Acting Prime Minister.

Since the number of unemployed seems to remain at a very high level in Canada, mostly in the province of Quebec, is the government considering the possibility of giving financial support to the Maison du Chômeur, in Montreal, to help those people solve their financial problems?

[*English*]

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I do not think so but I will check.

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AGRICULTURE

FARM PRODUCTS MARKETING BILL—OBJECTIONS TO ALLEGED FALSE AND MISLEADING NEWSPAPER ADVERTISEMENTS

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Has he received objections from the Canadian Federation of Agriculture to false and misleading newspaper advertisements calculated to oppose Bill C-176 and obviously intended to misinform the farmers of Canada, which solicit replies to the Leader of the Opposition in particular?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the advertisements may be misleading in trying to purport that the Leader of the Opposition would be effective in his opposition, but surely it was not the purpose—

[Mr. Speaker.]

Mr. Speaker: Order, please. The hon. member for Churchill.

An hon. Member: The minister surely is falsely packaged.

Mr. Baldwin: Has the minister seen the Liberal advertisements in the by-elections?

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LABOUR RELATIONS

DISPUTE BETWEEN HUDSON BAY MINING AND SMELTING COMPANY AND EMPLOYEES—STATE OF NEGOTIATIONS

Mr. Robert Simpson (Churchill): Mr. Speaker, my question is for the Minister of Labour and relates to the unfortunate situation at Flin Flon, Manitoba, where members of the Association of Trade Unions have been on strike against Hudson Bay Mining and Smelting Company for three and a half months. Has the minister anything further to report in relation to the recent resumption of negotiations?

Hon. Bryce Mackasey (Minister of Labour): No, Mr. Speaker, other than to say that the offer submitted by the company was rejected by the unions a few days ago and talks have not resumed since. Unless both parties appreciate their responsibility to the community of Flin Flon, I might find it necessary to appoint an industrial inquiry commissioner in the near future.

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GRAIN

WHEAT—ADDITION OF UNUSED PORTION OF LIFT PROGRAM FUNDS TO TRANSITIONAL PAYMENTS

Mr. John Burton (Regina East): Mr. Speaker, may I direct a question to the minister in charge of the Canadian Wheat Board. In view of the fact that only $53.7 million of the $100 million voted for Operation Lift has been paid to farmers, and since the minister has expressed satisfaction with farmer response to the program, is the government considering adding the unspent portion of the money voted to the transitional payments provided for in Bill C-244. This would be done, of course, after making allowance for certain payments still to be made.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, of course the $100 million associated with Operation Lift was an estimated figure of the amount which would be used if farmers took the fullest possible advantage of the program. The amount spent indicates exactly the extent to which they took advantage of the program and the extent to which cash flow increased in the Prairie region under that policy.

Mr. Burton: Does the minister then renege on the $140 million figure that he originally gave to the House of Commons?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Lang: Mr. Speaker, on a question of privilege, I should like to make it clear that at no time did I indicate to the House of Commons a $140 million figure, although it is true that some press headlines used that figure.

An hon. Member: Where did they get the figure?

Some hon. Members: Oh, oh!

Mr. Stanfield: From Information Canada.

Mr. Speaker: Order, please.

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POWER

BAY OF FUNDY TIDES—REVIEW OF PROGRAMMING BOARD'S REPORT

Mr. Robert C. Coates (Cumberland-Colchester Hants): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. Is the minister in a position to provide the House with information on the status of the re-examination of the report of the programming board, which is being carried out by his department and officials of the governments of Nova Scotia and New Brunswick, with respect to the Bay of Fundy tides? Can he also tell the House who is heading up the re-examination as far as his department is concerned?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, there is nothing further to report at this time in regard to the proposed review, but discussions are continuing between my officials and officials of the two provinces concerned.

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ENVIRONMENTAL AFFAIRS

AUTHORITY FOR ISSUANCE AND DISTRIBUTION OF PUBLICATION "BI-MONTHLY RESEARCH NOTES"

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. On March 16, as recorded on page 4293 of *Hansard,* and again on May 6, as recorded at page 5558 of *Hansard,* I raised a question concerning a publication issued under the authority of the minister of the environment. I was promised a reply to that question and I wonder if the minister has an explanation now?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, some of the staff of the forestry service in their enthusiasm produced a draft document which was reproduced by the Queen's Printer and which contained a reference to the department of the environment. This has since been distributed with an erratum sheet attached correcting it to read "Department of Fisheries and Forestry."

Inquiries of the Ministry

PENITENTIARIES

MILLHAVEN—REQUEST FOR INVESTIGATION OF REPORTED HUNGER STRIKE

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I would like to direct a question to the Minister of Justice in his capacity as Acting Solicitor General. In order to avoid any serious difficulty, will he investigate a reported hunger strike engaged in by 85 per cent of the inmates at Millhaven the other day, which apparently resulted from lack of exercise, no reading material and lack of razors and other facilities?

Hon. John N. Turner (Acting Solicitor General): On behalf of the Solicitor General, without conceding the preamble to the question I will have the matter investigated.

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AIRPORTS

EDMONTON—CONDITIONS FOR KEEPING INDUSTRIAL AIRPORT OPEN FOR 737 PLANES

Mr. R. J. Orange (Northwest Territories): I have a question for the Minister of Transport. Has the minister indicated to the city of Edmonton the conditions under which the industrial airport of that city will be kept open to 737 air traffic?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker, I have not done so formally. I received a report this morning from the officials of the department who went to Edmonton for consultations on the matter. They have put forward a set of proposals which I understand are acceptable to all the parties as an interim measure. While I have not formally indicated our decision to the city, I am disposed to accept the recommendation of the officials.

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HARBOURS

PORTS POLICY—ASSURANCE THAT HARBOURS BOARD EMPLOYEES WILL NOT LOSE JOBS

Mr. Thomas M. Bell (Saint John-Lancaster): I wish to direct a question to the Minister of Transport about a matter which was not contained in his statement on port policy. Now that the changeover is formally taking place and new appointments are to be made, about which reference was made, will the minister again give a full guarantee that there will not be one employee of the existing National Harbours Board out of work after this changeover takes place?

Hon. Donald C. Jamieson (Minister of Transport): I can give that guarantee in this context, Mr. Speaker. The reorganization that I am anticipating, and which I announced today, will not affect any employee of the National Harbours Board. It may be that the normal kinds of operations will result in either hirings or firings, but they will not be related to this change.

Inquiries of the Ministry

ATOMIC ENERGY

POSSIBLE SALE OF PLANT TO AUSTRALIA

Mr. Rod Thomson (Battleford-Kindersley): My question is for the Minister of Energy, Mines and Resources. Can the minister give us a progress report on his talks with the Australian government regarding the possible sale of a Candu atomic energy plant to that country?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I intend to make a statement on motions later this week in that regard as well as about my trip to Australia generally.

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INQUIRY OF THE MINISTRY

Mr. R. Gordon L. Fairweather (Fundy-Royal): My question is for the Minister of Justice. It is important because of tomorrow's debate. Does the minister know whether Claude Ryan and others allegedly involved in the plot to set up a parallel government have been charged with seditious conspiracy or with an offence under the Public Order (Temporary Measures) Act, or are they to remain a convenient excuse for those attempting to prove the need for invocation of the War Measures Act?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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HARBOURS

PORTS POLICY—ASSURANCE OF NO CHANGE IN CONSTITUTION OR OPERATION OF HARBOUR COMMISSIONS

Mr. Douglas A. Hogarth (New Westminster): My question to the Minister of Transport arises out of the harbour policy announced today. Will the minister assure the House that apart from representation on the National Ports Advisory Council there is no change contemplated at this time in the constitution or operation of harbour commission ports as detailed in the statement?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I can give that assurance. There is no change contemplated in terms of the harbour commissions.

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YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR LIST OF ACCEPTED PROJECTS AND AMOUNTS TO BE EXPENDED

Mr. David MacDonald (Egmont): My question is for the Secretary of State. In view of the fact that the minister indicated yesterday that more than 600 projects under the Opportunities for Youth program have been accepted and 100 more per day, is the minister willing to table a list of these projects, the number of people involved, their locations and the amount of money to be expended so that the Canadian public may have a better idea of the effective nature of this program?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I do not see anything wrong with that, Mr. Speaker. I could even say to the hon. member that we intend, as of today, to inform all members by sending them a daily list of all the approved projects.

[*English*]

[*Later:*]

Mr. MacDonald (Egmont): I wonder whether the Secretary of State will answer the question directly with regard to tabling a list of these projects. Also, will he indicate whether it is the case that some provinces are directly represented in the selection of the projects under the Opportunities for Youth program? If so, will he indicate what provinces are represented?

Mr. Pelletier: I did answer the question directly, Mr. Speaker. I am sorry if the hon. member did not understand my answer. I said that I am favourably disposed to tabling a list of the projects when they are completed. All provinces were informed that if they wished they could send one of their civil servants to act as advisor to our secretariat as far as their region was concerned. I know that Quebec and Ontario have done so and maybe some others, but I am not sure.

OPPORTUNITIES FOR YOUTH PROGRAM—PRIORITY TO EMPLOYMENT OF STUDENTS IN TAKING CENSUS

Mr. Mark Rose (Fraser Valley West): In the absence of the Minister of Industry, Trade and Commerce I will direct my question to the Secretary of State. In view of the concern expressed about the problem of student unemployment this summer, did the government consider giving priority to university students for the thousands of census-taking jobs or did it decide to award these jobs in the traditional way to loyal local party supporters?

Mr. Speaker: Order, please. The hon. member's question, asked in those terms, is not in order.

• (3:20 p.m.)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—ALLEGED FAILURE OF GOVERNMENT TO ADOPT POLICIES TO DEVELOP THE HUMAN, CAPITAL AND NATURAL RESOURCES OF NORTHERN CANADA

The House resumed, from Tuesday, May 11, consideration of the motion of Mr. Baldwin:

That this House believes that an enlightened program of human and economic progress for northern Canada offers great opportunities for the people of this country; and that the eco-

nomic and social policies of the present government have brought about confusion and delayed progress; and that it is essential to make appropriate changes in our approach in respect of northern Canada;

And this House condemns the government for its failure to promote a truly Canadian strategy for the north based on human, capital and natural resources, and urges that appropriate policies be adopted at once that will bring about such development in that region.

And the amendment thereto of Mr. Lewis.

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, the debate in which we have been engaged since yesterday is quite wide ranging. The opposition have been talking about a vision of the north. During the debate they have discussed the policies of the north. Some hon. members have said that the government is not providing enough incentive to the mining industry and in so doing is destroying the potential development of the north. The leader of the New Democratic Party talked about extravagant socialism. He said we should not develop the north, but sit on the resources that are there. I detected in the representations made by the leader of the New Democratic Party that his main preoccupation was not so much what is going on in the north, but he is afraid that everything from the north is going to the United States. If he checked the facts, he would see that most of the exports from the north are not going to the United States but to Japan, India and western European countries.

I cannot understand the position of the opposition. This is not a very embarrassing attack on the government. On the one hand, we have the main opposition party stating that we are directing the north toward a socialist state and, on the other hand, the leader of the New Democratic Party says we are just selling to American interests. However, Mr. Speaker, we should not be influenced by these positions in trying to assess the situation and decide the kind of development which should take place in the north.

This government is not like the previous government. We are not trying to develop the north in a nebulous and uncontrolled way by merely building roads and development of resources. Our objective is a balanced development in the north which takes into account all the factors which we have in mind with regard to developing any part of Canada. In terms of northern policies, the first objective of this government is the people of the north. We have to make sure—

Mr. Yewchuk: On a point of order, Mr. Speaker.

Mr. Speaker: I apologize to the minister, but a point of order is being raised by the hon. member for Athabaska.

Mr. Yewchuk: I wish to refer to a statement the minister made yesterday. He said: "I will speak tomorrow, and I shall not speak from a text." I see that the minister is reading directly from a prepared text.

An hon. Member: Peanuts.

Mr. Speaker: Order. Perhaps the minister might be allowed to make his speech in any event.

Mr. Chrétien: If I were reading from a text, Mr. Speaker, I would not be making the errors in English I am now making. If the hon. member knows a bit of English he will recognize that I am not speaking from a text. I am speaking from my mind and my heart right now.

Some hon. Members: Hear, hear!

Mr. Chrétien: I have no prepared text but I can say we know where we are going in the north; we understand the position much better than do members of the opposition. Yesterday there were complaints that nothing was going on in the north. As usual, the opposition showed a bad sense of timing because on the day they put forward their motion in the House another discovery of oil was made in the north. It is always the same. The opposition does not know where to go, in the north, in central Canada or in Quebec.

As I was saying, we have decided that the north is not to be developed at any cost. The first thing to be considered is the wellbeing of the people in the north. It is all very well to be sentimental and talk about the traditional way of living of the Indians and the Eskimos. But at a time when the Eskimo birthrate is 46 per 1,000 because the government is providing better health services than ever before, and at a time when the average life expectancy of native citizens in the north is increasing to a point at which it is almost equal to that of white citizens, it is necessary to find ways and means of permitting Indians and Eskimos to follow a different way of life if they choose to do so. This is why we have decided to put people first. This is why we are providing better services than before.

I should like to remind those who say we are doing nothing in the north that when the opposition was running the country—and those were pretty bad times—in 1960, there were only 930 Eskimos and 948 Indians in school. Nine years later there were 3,100 Eskimos and 1,600 Indians in schools.

An hon. Member: The same program.

Mr. Chrétien: Why are hon. members opposite so sensitive? They say it is the same program. But when the opposition formed the government they were spending $56 million on Indians. Right now we are spending $264 million, apart from what is being spent on health services. Of course, it is the same program, but the emphasis is on the number of dollars we can put into these developments, since we are concerned with people.

Mr. Nielsen: Those figures apply to Indians all over Canada.

Mr. Chrétien: Yes, but I am speaking of the north, too. We have 730 native people in vocational training schools at the present time. We are spending more than $76 million on education alone in the north, compared with probably one-tenth of that sum when the Progressive Conservative party was forming a government.

An hon. Member: That was ten years ago.

Mr. Chrétien: It was not a progressive party, of course. Look at the housing program in the north.

Mr. Nielsen: You are not proud of that, surely?

Mr. Chrétien: Not proud of it? You were talking about going from igloo to igloo, but we are talking about going from one house to another. When I visited the north last summer, accompanied by the former Interior Secretary of the United States, I found he was amazed at the kind of housing available to Eskimos.

Mr. Nielsen: Eskimos, not Indians.

Mr. Chrétien: I know we have not done so well for the Indians, but we are on the way to improving the situation. I realized that was the situation when I was first appointed, which was why I put the Indian and Eskimo programs in the north under the same roof, as it were—to give the same services to each. I hope that within a few years we shall be able to give the same kind of service to the Indians as to the Eskimos in terms of housing.

Criticism has been directed toward the kind of bureaucratic administration from Ottawa which is responsible for some aspects of northern administration. We have transferred the administration of the Northwest Territories to the new capital of Yellowknife and right now we are trying very hard to extend a policy of local government into the settlements. We have founded the first municipalities in the north. Yellowknife, for example, was the first to be established as a city. We have passed ordinances providing for settlement councils and many of the small communities in the north are now administering federal programs themselves. I repeat that we are concerned with people. We must make sure that we provide these people with opportunities to work if they are to share the advantages of the general economic and social levels of Canada.

Of course, we are criticized for not doing enough. I admit that two or three years ago probably only 3 or 4 per cent of the labour force in the mining industry were native people. However, I am glad to report that two years later 17 per cent of the workers employed in the mining industry in the Mackenzie District are native people. Last year we signed an agreement with the Pine Point Mining Development Company as a result of which 21 per cent of their employees at the Pine Point mines are natives. So, the situation is not as bad. Of course, we must continue these efforts, backing them up by a good education program to give the natives the schooling they need to take these jobs.

Some social problems are developing in connection with this effort. Of course, we cannot force Indians and Eskimos to work in the mines if they do not wish to do so. But I say to the Indian and the Eskimo people that we are willing to give them training. In fact, we have trained a lot of Indians and Eskimos in schools at Fort Smith and Edmonton to work on heavy equipment or to become operators on drilling sites and so on. At the same time, even if Indians and Eskimos are taking training to do some of these jobs, I say time and time again in my speeches that it is not only the Indians and Eskimos who have to adjust; the white man has to adjust, too, and accommodate himself to the ways of the Indians and the Eskimos. The Indians and Eskimos should not always be called upon to adopt the same methods of work as ourselves.

I am confident that in time more and more of the native population will become part of the labour force in the north and share in the benefits of northern development. However, if we wish to provide these opportunities for the native people it is necessary to develop the north. This is where my position becomes uncomfortable, because I am caught between two fires. Spokesmen for the Official Opposition tell me I am too tough on the mining industry, I am not giving them sufficient incentive to develop the north. In short, I am not giving them a free ride in the north. On the other hand, the members of the New Democratic Party have told me to sit tight on our resources; not to develop the north or sell non-renewable resources, to keep them frozen in case 20 years from now those assets are of greater value. But what is going to happen in the meantime when there are not enough foxes or caribou or seals to provide a livelihood for the natives?

• (3:30 p.m.)

An hon. Member: You have plenty of seals over there.

Mr. Chrétien: My first preoccupation is with the native people in the north. Certainly, it is not my ambition to sit on resources of the north so that Indians and Eskimos are deprived of any opportunity to find a place in the wage economy and have their share in the wealth of Canada, thus forcing them to live on welfare. Our policy is to develop the north in a balanced way. Even if I am caught between these two extremes, the position of the government and myself is that we want to develop the north in a balanced way so as to take account of human need and the market that exists for our natural resources. We need a new emphasis in these days because of the preoccupation of the Canadian public with ecological problems. We have to find new methods.

For example, we are doing some seismic work trying to find oil and gas. We are taking modern machinery into the tundra where Eskimos and Indians used to hunt their caribou, foxes and muskrats. Some hon. members, like the hon. member for Athabasca (Mr. Yewchuk), may laugh at this, but the Eskimos on Banks Island have a real problem finding foxes, as do the Old Crow Indians in hunting muskrats. Even though this is not all that important to the total development of Canada it is damned important to them, and this is why I have personally visited the area in order to find some solution.

I have concluded that the solution is to ask oil and gas companies and mining industries to take into their labour forces some of the trappers from various localities to advise them whether they would be destroying trap lines or the habitat of the wildlife when conducting their operations. We must develop the north in such a way that we do not repeat the errors that have been made in the south. We have developed many mines, gas and oil

fields in the south of Canada, and at the same time have created pollution problems.

The government has not been waiting for the opposition to tell it what to do. What amazes me, Mr. Speaker, is that the opposition do not realize that the problem they are talking about today was resolved a year ago when this House passed four different pieces of legislation dealing with environmental control in the north. Perhaps the opposition were asleep the day we passed the Arctic Waters Pollution Prevention Act, the Northern Inland Waters Act, the land use regulations—

Mr. Harding: Just one question; have you proclaimed the Northern Inland Waters Act?

Mr. Chrétien: You are referring to the land use regulations. You asked me many questions, and I told you why we have not proclaimed them.

Mr. Speaker: Order, please. Perhaps the conversation between the minister and the hon. member might be continued later outside the House, but for the moment the minister should make his speech, which is addressed to the Chair.

Mr. Chrétien: Thank you, Mr. Speaker. We have to have a balanced development of the north to make sure that this development, first will be in the interests of the citizens of the north and also to the benefit of the economy of the whole of Canada. I am amazed that members of the opposition attack the government for having done nothing in the north. Hon. members might be interested to know that in 1963 mining production in the north reached a total value of $29 million. In six years we have taken the total from $29 million to about $200 million.

Mr. Baldwin: You owe that to the Pine Point Railway.

Mr. Chrétien: That railway is not used in the Yukon. I know the argument used by the other member from Alberta. Since the people of Alberta benefit from northern development, I think hon. members should give us some encouragement rather than trying to stop development in the north.

Mr. Baldwin: That is why we have moved this motion.

Mr. Chrétien: I think that the goals we have in the north have been spelt out by the government on many occasions. I do not want to repeat what I have said so many times in speeches in this House, but perhaps I can just elaborate for a few moments on the kind of objectives we have developed over the last few years for the north. The government has made very clear what are its goals. What we are seeking in the north is a more satisfactory life for northern residents who must become full partners with other Canadians in developing the area and whose preferences and aspirations must be taken into account.

We must also protect the northern environment and prevent irreparable damage to it. This means controls based on research and planning. We intend to maintain Canadian sovereignty and security in the north. We must continue to encourage viable economic development within the regions of the north so as to realize their role in all the objectives and their potential contribution to the national economy. We want to ensure the continuous evolution of government in the territories. We want to realize the potential contribution of the northern territories to the social and cultural development of Canada. We intend to encourage development of leisure and recreational opportunities in the north, particularly through national parks and other appropriate conservation measures. Those are the general goals we are proceeding towards in the north.

I am glad that the opposition has chosen the north as the subject of this two-day debate. What disappoints me is that members of the opposition did not put forward any suggestions for developing the north. They have moved a long way from the vision of the north held by the right hon. member for Prince Albert (Mr. Diefenbaker). Although there were some criticisms yesterday, many of the members who spoke did not even refer to the north. Some members spoke about Labrador, some about new Quebec, some about the Athabasca delta in Alberta and some about the British Columbia government, but very few members of the official opposition made a speech on the north.

A debate like this is an occasion for presenting positive ideas. Although some members had good ideas, the majority did not talk about the real issue, which is: Should we or should we not develop the north? Should we or should we not try to find out whether there are renewable resources in the north? What kind of development should we undertake? Should we construct pipelines in the north or should we not? That is the kind of issue we should debate. Very few members on the opposition side will adopt this approach. That is why I decided to speak first today in an attempt to put this debate back on the rails, otherwise we are wasting time.

• (3:40 p.m.)

An hon. Member: That is what we are doing now.

Mr. Chrétien: I am discussing the real issue, I was glad the leader of the NDP stated we should not sell our renewable resources. I do not share his view, but that is what he stated. He said we should not sell gas to the United States. That is his position, but he should have checked his facts. Much of the production from the north is going to Japan, West Germany, India and so on.

An hon. Member: He said he was not an expert.

Mr. Chrétien: That was quite evident when he spoke. I think there is a possibility of finding a solution which lies somewhere between the suggestions of those who say our resources should not be sold, and the position adopted by others that we should develop our resources and take advantage of them. If you sit on an asset for years and years, you lose all the interest on that asset. You lose the market and you do not derive any revenue which would permit the development of schools, social programs and so on.

The government realizes once more that we cannot go the way members of the official opposition are advocat-

ing. They suggest we should just follow certain grandiose visions, build roads, develop our resources without much concern for other problems—the problems of the people and other interim difficulties. There are two approaches to the development of the north. We must develop northern development by finding jobs, and we must do this in a way which will avoid creating new problems. We know there is a lot of gas and oil in the north. We have not yet scratched the surface of this vast land which contains 1.5 million square miles. This amounts to 40 per cent of the land area of Canada. It is half the size of the United States, nine times the size of France and is equivalent in terms of area to that of Ontario, Quebec, Manitoba and Saskatchewan put together. Even if we find a few mines and develop them, along with a few oil and gas fields, we will not deplete the resources of this vast area. If we do not try right now to find these resources we will never know the extent of the resources in that area. This is why we are trying to provide incentives to industry to move to the north. I am referring particularly to the oil and gas industries.

What is significant is that in the north we have a diversity of prospects for Canadian investors. In respect of the oil industry, for example, the first foreigners in the north were the French.

An hon. Member: You mean the minister?

Mr. Chrétien: I had in mind the French from Europe where my ancestors of 300 years ago lived. Since that time we have become Canadians and we speak French. We need incentives. In the Arctic Islands, for example, most of the land exploration is under control of Canadians through Panarctic. The Canadian government has a 45 per cent interest in that endeavour. Most of the private corporations participating in that venture are Canadian concerns. Between 75 per cent and 80 per cent of the shares of Panarctic are controlled by Canadians. This is a new development undertaken by this government.

We need money to find oil. You do not just look at a map and say there is oil there; you have to drill wells. The cost of drilling a well in the north is approximately $2 million. This is a very expensive operation. You must use aircraft to get the material there. We must have plans for development, and we must take into account the need to protect Canadian sovereignty in the north as well as the interests of the Indians and Eskimos there. We must make sure that these vast resources are found and developed in the interests of the people there.

Those who think we have no competition in the resources field better not kid themselves. Along with a member of the NDP and a member of the official opposition, I visited New Zealand and Australia. Those who think we have no competition should visit the northern part of Australia to see the kind of mines they are developing there. Those who think there is no competition in respect of our resources are not on very solid ground. A lot of natural gas has been found in the last few years in the North Sea off the coast of Europe. Perhaps they will devise some method of developing oil fields there.

As a result of these developments, we might find in time that we have lost our markets for our own resources. We have to devise sound development plans. We must develop enough to maintain interest, and at the same time make sure we retain enough reserves to improve our bargaining position if the market becomes improved. This is exactly what we are trying to do.

There is reference in the motion to the difficulties of the Indians and Eskimos in the north. I referred to this today at the beginning of my remarks and I should like to come back to one main point. The hon. member for Peace River (Mr. Baldwin) suggested we should look into the rights of the aboriginal people in the north. That hon. member, coming from Alberta, should know that the Indians in the Northwest Territories have treaties with the Crown. We have made many attempts to solve these treaty problems with the Indians. We have held many meetings with them.

Mr. Nielsen: Treaties do not apply to the Eskimos.

Mr. Chrétien: Let me finish. I am talking about Indian treaties. I will come to that point later. We have assured these people that we intend to honour these treaties. During our consultations with the Indians we were told that before they will make any deals in respect of treaty rights they want to resolve their own positions. They intend to retain their own experts, and they have asked the government to help them form a committee to look into these treaty and other rights. They have their own specialists.

Let me settle one thing right now. We have appointed an Indian claims commissioner to look into this situation along with our experts. He is available to these Indians in the north for discussions regarding their treaty rights. They say they are not quite ready to discuss these matters.

Mr. Speaker: Order, please. I regret to interrupt the hon. minister but his time has expired.

An hon. Member: Go ahead.

Mr. Chrétien: With permission I can complete my remarks in a few minutes.

Mr. Speaker: The hon. minister is seeking the consent of the House to pursue his remarks. If that consent is given I respectfully suggest that the extension should be brief. In about an hour and a half the vote will be called and a number of members have indicated an interest in this debate and a desire to participate.

Some hon. Members: Agreed.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I will bring my remarks to a close in a few minutes.

I want to say that most of the Indians in the Northwest Territories are party to two treaties, namely treaties 8

and 11; we have told those Indians that we have every intention of respecting those treaties because we would not impose a unilateral solution on them.

Now, there is the matter of two particular groups in the North, the Eskimos and the Yukon Indians who have yet to negotiate a treaty with the Crown. Obviously, with regard to the Yukon Indians, we can consider their situation similar to that of the B.C. Indians who have presented their case to the Supreme Court of Canada, basing their claims to certain rights on legal arguments, and it would be quite inappropriate for me now to comment on a possible decision of the Supreme Court of Canada. Everybody knows that the Indians of the Nishka Tribal Council, in northern British Columbia, have submitted the question of their rights to the Supreme Court and are waiting for a decision.

As regards the Eskimos, last winter they took a similar decision about their rights, and they joined the Indians from British Columbia in order to obtain a decision from the Supreme Court. I understand that the question is now before the courts.

However, as regards our attitude, we do not believe that it is always necessary to use the same approach as the United States. In fact, it was rather amusing to note that NDP members, who are always traumatized by what comes from the United States, suggested that we should follow the same course of action as the Americans regarding the Eskimos and their rights.

In my opinion, we can find, in Canada, an original solution, and those we have proposed until now tend to ensure that northern development will benefit as much as possible the Eskimos and Indians, the first inhabitants of those territories.

I could dwell on that for a long time, but I must say that our policy is well established. As a matter of fact, we are trying to proceed to a well balanced development that will take into account not only the interests of the citizens living in the North, but also those of the whole country, because mistakes that have been made in the South must not be repeated in the North, we must protect the environment. That is why, even last winter, we took measures which have proven, I believe, that we were interested in these problems long before the opposition which, as usual, woke up a little late. The opposition has dealt with problems for the solution of which we had already passed legislation last year. Even from the point of view of timing, as I said, the opposition, with its usual awkwardness, acted once again in a strange fashion: It moved a non-confidence motion the very day we discovered a new oil-field in the North; all this proves that it has lost whatever for sightedness it might have had a few years ago.

• (3:50 p.m.)

[*English*]

Mr. Erik Nielsen (Yukon): Mr. Speaker, my views on northern and national development have been expressed by me many times in this House before. Rather than go over them again, I shall review some of the philosophy of the government which prevents the implementation of adequate policies for development. All the minister seems to do every time he rises is talk. He is great at winding up but has no pitch. The failure of the present government to promote, articulate and advance, let alone construct, a truly Canadian development strategy for the north can and should be discussed from many perspectives. This is one reason the motion is couched in such broad terms.

Today, I would like to speak to the motion in terms of the central personality of the Trudeau government. The failure of this government in the north is not a peculiar defect, not simply a problem of priorities. It is symptomatic of the general atrophy and unacceptability of this government as an instrument of Canadian development and the public good.

There is no constructive, realistic, coherent or Canadian design for the development of the north because the government has no such design for Canada. The minister talks of isolated projects but fails to emerge with a pattern of development. This is because the government has no such design for the country as a whole. There can be no intelligent strategy for the north by a government that has not a development strategy for Canada. Therefore, this is not merely a motion of non-confidence in the Minister of Indian Affairs (Mr. Chrétien) or the Minister of Energy, Mines and Resources (Mr. Greene), although they richly deserve a singular motion of non-confidence, but a motion of non-confidence in this government and its lack of design and counter development strategy for Canada.

A discussion of northern development is not simply about the appendages, but the heart of the government because the destiny of the north is intimately and integrally connected with the development of Canada. To view the north as an incidental and experimental matter is not only colonial, it is a stupid development policy. For instance, the north will not be developed by some utopian spin-off of 10,000 unemployed young people being told by the Prime Minister (Mr. Trudeau) on Friday in Vancouver to build a city in the north. For what purpose? What will they do there and how much will it cost? How will they sustain themselves? He does not say but looks for ideas. A full recognition of the potential growth and a conscious diversification of the Canadian economy is the first step.

Further, it would be a sell-out for Canada to escape the TAPS pollution danger by the premature construction of a Canadian oil pipeline in our north. Recognition of native rights to land and adequate research on ecology are essential prerequisites. It would not take an instant for the minister, on behalf of the government, to say they recognize native land rights and will deal with them. But he has not done that and escapes in a diverse fashion by saying we will not follow the United States precedent. The people in the Yukon ask for the recognition of their land rights, but the government does not budge and does not recognize those rights. Standing up for our west coast as firmly as the government appeared to do for the north coast would be both more courageous and practical.

Development of Northern Canada

I have said these things, not to make a case against the government's past behaviour, but to underline the assertion that the possibility of a truly Canadian development strategy for the north depends on the capacity and equality of a government strategy for Canada. And the development of either is a function of the personality of the government, in this case of the Trudeau government. I would like to express some of my conclusions on the question Peter Desbarat asked back in 1968: "He looks fantastic"—referring to the Prime Minister—"but will he work"? Another question should be added: "At what will he work?" Will he work at putting 800,000 Canadians deliberately thrown out of work back on the job? What has he done about the face of a people pockmarked by poverty? What does he do about implacably rising costs of living? What does he do about lakes and rivers all fouled up, and air that kills, and terrorists who kill? What does he do about a land beset by internal pain for which diagnosis is conflicting and prognosis uncertain? What has he done with the law of our land which now punishes for holding an opinion, assumes guilt in the absence of proven innocence and gives such law retroactive effect? At what will he work? At being a leader who pantomimes obscenity upon the stage of Parliament.

These questions are about the three fundamental components of a federal strategy for Canada—inspiration, energy and organization. I assert that on all three the collectivity of Trudeau has been inadequate, wrong, lazy, anti-democratic and disorganized, and in the north his policies have been Simon-pure socialistic.

What has been the inspiration of this government? What are its intellectual preoccupations? I think it displays all the pretentious and narrow radicalism of its first organ Cité Libre. It is essential to recognize the importance of this intellectual womb and its resultant litter who now occupy the treasury benches and other positions of power in the government structure. Most of his old cronies have been provided with sinecures. Harry Crowe did far more justice to this phenomenon than I can. In his article "Decline of Liberalism", published January 16, 1971, he stated:

• (4:00 p.m.)

> The most striking fact about leaders of the Liberal party is that they have been obsessed with demons—
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> King's Frankenstein was industrial conflict, class conflict, and the omnipresent forces of darkness. Lester Pearson's demons were first the Soviet Union and then the more formidable John Diefenbaker. Pierre Trudeau has a (closet) full of demons but Duplessis and nationalism tower above (all) the rest.
>
> King sought to exorcise the evil spirits with moral excellence; Pearson with slogans and Trudeau with mild exhortations.

Crowe further states:

> Now for Trudeau. What is his Liberalism? Strong support for authority, almost to the point of obsession—(his own authority). Advocacy of democracy is—a vital one. (He talks about it but does not practise it). Most of the political leaders, in and out of the Liberal party, assume democracy. But Pierre Trudeau advocates it. (Pays lip service to it in his grasping for absolute power). He grew up with the demon Duplessis—so the Liberalism of French Canada, fashioned as a "counter weight" to "censorship authoritarianism, clericalism, and dictatorship" (Trudeau or Duplessis) becomes the liberalism of Canada.

[Mr. Nielsen.]

Crowe goes on to explain:

> But we won that round in seventeenth century England. The anachronism and the irrelevance are monumental.

Whatever vision and imagination this government had, is being used up in a paranoid struggle against dark dinosaurs of the Cité Libre's past. This posture is negative and in substance anti-democratic. The Trudeau government does not trust the people. What is the explanation? James Eayrs has explained it. He is a dilettante in power. He is the Walter Mitty in the cabinet room. A dilettante is one who interests himself in an art or science merely as a pastime and without serious study. This has immense consequence on the shape and calibre of any Trudeau development strategy for Canada. Leonard Beaton writes of Trudeau:

> In spite of long periods spent wandering about the world, he understands very little and does not know it.

First, most of the inspiration of the Trudeau government is about the unreal world of processes and opinions, not the improvement of the quality of Canadian life. Consequently, the energy of this government is usually spent on the idea and the moods of Canada; his creation of regional offices proves his preoccupation with this area. It is not concerned with the personal needs of Canadians and the economic health of this country, particularly in the north, as the minister would have us believe just now.

The government has made great strides in a counter insurgency propaganda campaign against separatism, parochialism, trade unions and greed. Yet, this government does not even have inflation and employment targets, let alone strategies. Give them credit though, they had an unemployment target of 6 per cent and have exceeded it substantially. They have no timetable for their white paper on foreign investment, and the last draft white paper on income security is back in the cabinet. The white paper on taxation, as well as the other legislation of which the minister is so proud, have scared off up to 50 per cent of the investment risk capital in the Yukon this year. But Pelletier has had the time to write a book. While unemployment grew and inflation rose, he scribbled.

Two aspects of the personality of this government have deeply shaped its organization, its demonology and its arrogance. The first is not surprising and has obvious roots. This demonology—their distrust of the people—has clearly dominated the priorities of the government. Inflation must be eradicated, for inflation, as the Prime Minister stated, has elsewhere led to a fascism of the middle class. But perhaps that is what he wants. Every heckler warrants a lecture on the stress and strain of democratic dialogue. Police surveillance of politicians and peoples homes must be accepted as essential in the protection of our fragile democracy.

A disagreement on the tactics of protecting Pierre Laporte's life became an ingredient in the "erosion of the public will". Nothing could be more damaging to democracy than to send troops into our streets, unless it is to suspend its civil liberties. Trudeau sent troops, suspended civil liberties, and called his critics bleeding hearts.

Organizationally, this distrust of the people has permeated the government. This morbid and negative attitude has generated a kind of defensive organization that covers the powers of government and the status quo. Economic growth, fiscal sharing with the provinces, the business of co-ordinating and constructing a development strategy, have been delegated to the drones, the Bensons, the Mackaseys, the Basfords and the rest. These are not the matters that preoccupy the helm.

Second, this government has not escaped this demonology because of its arrogance. And its arrogance is monumental. After all, Pierre Elliott Trudeau—dilettante and traveller—only just got to Ottawa in 1965. He only got here as an orphan, clinging to the coat tails of Jean Marchand and trailing Pelletier behind him. That is a track record that would humble most. The Prime Minister best described his own kind of arrogance in a discussion in London in January of 1969. A student asked whether it is possible for an intellectual to remain an intellectual after he has become a Canadian politician. The student obviously touched on a rather narcissistic hangup of Mr. Trudeau who replied:

> Not in the true sense of the word, no. I think an intellectual is one who looks for absolute truth and one who looks for absolute values and one who, in the face of any problem, states his belief as to the best answer on moral grounds, on philosophical grounds and who does not inflict a sense of politics into his answer.

With his absolute candour and his absolute moral motivation, the Prime Minister concludes:

> The politician will water it down and say that he cannot get away with it, he must compromise or it will not pass parliament.

So, as Peter Desbarats predicted in the earlier article, Trudeau, the beautiful intellectual, will "have nowhere to go but down". However, the danger of politics to the Prime Minister's precious essence has hardly been overlooked by him or his reverent handlers.

Mr. Deputy Speaker: Order, please. The hon. member for Peel South (Mr. Chappell) is rising on a point of order.

Mr. Chappell: Yes, Mr. Speaker. I have been listening for the last ten minutes and I have reread the motion. I have searched to the best of my ability to see how anything that has been said in the last ten minutes is relevant to the motion. I bring it to Your Honour's attention that if hon. members are serious on this subject, they should speak on the subject and not wander all around Canada, in fact all around the world, to try to find something to criticize.

Mr. Nielsen: Mr. Speaker, I rise on the point of order that has been raised. The very fact that the hon. member has raised it at all indicates his woeful lack of familiarity with the subject matter of the motion we are discussing. In my remarks I have been pointing out that the underlying reason for the failure of this government to come up with constructive and real policies for the development of the Canadian north—and this includes not only the area above the 60th parallel but the northern portions of Canada—is the lack of a basic philosophy, and nothing could be more justified than to point out the dearth of this government's policies.

Mr. Deputy Speaker: Order, please. I have to interrupt the hon. member for a moment but the Chair would like to comment on the point of order raised. The Chair felt that the hon. member for Yukon (Mr. Nielsen) was probably ranging quite broadly, but I must say that I think the terms of the motion before the House are quite broad. I might read just one phrase in the motion before the House, which refers to the economic and social policies of the present government, "and that the economic and social policies of the present government have brought about confusion and delayed social progress". I think, with respect, that the remarks of the hon. member may have had a loose connection with that part of the motion but he was generally relating his remarks in that context to the problems of the north. So I think that, in general, the hon. member was in order.

• (4:10 p.m.)

Mr. Nielsen: Mr. Speaker—

Mr. Deputy Speaker: Order, please. Would the hon. member resume his seat? Is the hon. member rising on another point of order? The Chair has already ruled on the point of order.

Mr. Nielsen: As I say, Mr. Speaker, this government has manifested, in all its structural reforms and its attitude toward Parliament, toward the press, business and all other intruders, a neurotic and devious desire to protect their charmed Prime Minister from the vulgarities of public life. Their dream is of a ship of state with an airtight helm, one that can be seen but not seduced.

Such a state of mind is extremely interesting. However, it is completely inappropriate for the construction of a truly Canadian development strategy for either our north or for the whole of our country. The inner sanctum of this government is not in possession of impeccable motives or impeccable vision. This unadmitted pretention is both ridiculous and malicious.

The men who lead this government have a lot of narrow and irrelevant prejudices to grow out of if they are to lead us well. However, such growth is not evident; they are still a bunch of amateurs and that goes double in spades for the north. They do not have the maturity nor the courage to recognize the fact that Parliament, the press and the Liberal party, for example, must participate and must be engaged in governing if any government is to grow into something really worth while. Paranoia and vanity are not bases for growth and democratic government, but these qualities, above all others, underly the jazzy jargon of Trudeau and his systems men.

Revealed in the Prime Minister's manipulation of his own caucus is the expeditious and loving construction of Information Canada, the unchecked and silly conceit of the Solicitor General (Mr. Goyer), his arrogance, and the departure from the cabinet of the hon. member for Trinity (Mr. Hellyer) and the hon. member for Duvernay (Mr. Kierans), two men who possess constructive insights and

energy for government far beyond those of the Trudeau collectivity.

Mr. Kierans' suggestion that the present disarray and ad hocery in the economic policies of the government calls for some sort of superministry responsible for the economy is all very well but it falls short, I suppose for understandable partisan reasons, in expressing the real problem. The fact is structure is not the real obstacle in developing a constructive economic and social strategy for Canada. A new mentality for the Prime Minister or better still, a new Prime Minister, is the first requirement.

Some hon. Members: Hear, hear!

Mr. Nielsen: It is obvious that this government is not going to begin to employ the very generous mandate it received from the Canadian people. The Prime Minister and his fan club will never grow out of their present arrogant, sterile, and obsolete concept of themselves and of the business of governing Canada. They are stagnating; it is time for them to go.

Some hon. Members: Hear, hear!

Mr. Hu Harries (Edmonton-Strathcona): Mr. Speaker, I am pleased to have the opportunity to say a few words in connection with the approach of this government to northern development. Before I do, however, it might be appropriate for me to suggest, in view of the observations of the hon. member for the Yukon (Mr. Nielsen), that there are a number of people on this side of the House like myself who have confidence and faith in our Prime Minister (Mr. Trudeau). That has not changed nor is there any evidence to indicate that it should; quite the contrary. We feel that in the last three years Mr. Trudeau has been our Prime Minister he has effected important, lasting and significant changes in Canada which were not only necessary but highly desirable. Members opposite should make no mistake about that.

Mr. Baldwin: For the Liberal party.

Mr. Harries: For Canada, particularly the region I represent.

Mr. Nielsen: Not mine.

Mr. Harries: As far as am concerned, it would be presumptious for me to attempt to defend the Prime Minister in those circumstances because there are many who could do it much better. As a new back bencher I would remind the hon. gentlemen opposite that we feel very strongly on the issue that has been raised. The Minister of Indian Affairs and Northern Development (Mr. Chrétien) spoke first, and quite properly, because he was able to give the House a good deal of factual information, particularly with respect to the way in which his department has instituted programs with respect to the people of the north. If I may, I should like to comment on one or two aspects of the economic policy, the approach of the government to northern development.

This is an approach, Mr. Speaker, that does not presume that all the answers as to the best policy are already in our possession. It is not based on hopes or vision; it is a policy based on the acquisition of facts and the use of those facts to provide an approach to northern development that will be meaningful and lasting, of material benefit to the north and to other parts of Canada. This is the basis of this government's approach to northern development and, in my view, it is one that should be commended because it is intelligent and it will be effective.

Let us take a look at the area of oil and gas development. In the past three years, massive and effective exploration programs have been mounted and we are gradually seeing the result by finding substantial quantities of natural gas with indications of the vast store of oil that is available.

Mr. Stanfield: In spite of you.

Mr. Harries: These happenings have not been in spite of the policy but because of the policy. The policy is realistic and does not presume that we are going to develop the resources of this vast territory by a few government directives or even a few speeches. We tried the speeches ten years ago and obviously they were a failure. I suggest to you that the policies this government is following are soundly based and will result in the most effective use of the resources as they are found.

In connection with the development of the north there has been a great deal of discussion about tax incentives, and I am confident that when the Minister of Finance (Mr. Benson) brings down his budget in June we will find that this government is still evidencing a program of support for northern development through the use of tax incentives. I find it interesting that in Russia, which is a state that I am sure some of my friends opposite might have some enthusiasm for, people who work in northern areas get substantial premiums in addition to an element of private property that is completely lacking in other industrial sectors. You cannot expect to have the necessary incentive to develop unless the opportunity is given for capital and income gains. To say that this government's approach to northern development is socialistic requires a rather peculiar definition of socialism, it seems to me.

Fundamental to the development of the north is, of course, the question of transportation. I should like to commend the government on two policies they recently adopted in connection with research. First of all, a grant of half a million dollars was given to the Saskatchewan Research Council for research on the slurry pipeline. This was followed by a grant of almost the same amount to the Alberta Research Council for the further development of capsule pipelines. The use of pipelines in the north to move fluids and gases is something that does not require a great deal of research as to its economic effectiveness. It most certainly requires and, indeed, is receiving a good deal of research in connection with the environmental impact.

• (4:20 p.m.)

The use of a pipeline for the transport of solids opens a whole, new technology which could have the most important significance for northern Canada. Solids pipelining

involves, as you know, Mr. Speaker, either the mixing of the solids with a fluid and the transporting of those solids as a slurry or, secondly and more significantly, the use of capsules which float in a liquid in a pipeline and are transported from one point to another in that fashion. The concept of developing mines in the north where the concentrate could be moved by pipeline directly to markets is one that I think ought to be greated with a good deal of excitement. It implies that it is not necessary, with respect to bulk movements, to have a surface transportation facility. Railroads, of course, are the prime bulk movers. They are very expensive facilities. If it were possible to transmit solids in a facility designed to transport either gases or liquids, we could benefit from a tremendous economic opportunity and a great opportunity for development that otherwise would be denied to us.

This government has indicated that it is aware of the technological possibilities of that sort of development. As I said before, I am delighted that the government will give such wholehearted support to a research effort in this field. That seems to typify the approach of this government to northern development, an approach that is based on an understanding of the technical requirements of that area and the desire to search out and explore the best possible technology to meet the needs of the area.

The development of northern Canada must certainly take place within the context of the development of the rest of Canada. The distribution of regional economic effort within the federal system is certainly occupying the attention of this government. So far as I am concerned, I think it would be quite inappropriate if the government were to pour undefined sums into northern development without having regard to the fact that those funds could be allocated to other regions in Canada in order to obtain the maximum development for all Canada.

I certainly do not support the position taken by some of my hon. friends opposite with respect to the idea that northern resources ought to remain unworked until some indefinite time in the future. If one appreciates what is meant by a "time discount factor", one will realize that that sort of technique suggested involves tremendous costs. On the other hand, it seems that northern resources and their development ought to be considered in some sort of sequential system that considers the needs of other parts of the country. I hope I will be forgiven for distinguishing western Canada, and particularly the Prairie region. More research must be done in that area and there must be substantial greater investment in that area in addition to that investment which has been made with respect to the agricultural economy. Only in that way, only if we develop the various regions of Canada as we go along, will be obtain the best mix of economic activity, designed to give the best opportunities for our people. I, therefore, support enthusiastically the approach of this government to northern development, because it seems to me to make the best economic sense.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I was very interested to hear the hon. member for Edmonton-Strathcona (Mr. Harries) say that he is here because of his confidence in the Prime Minister (Mr. Trudeau). I suppose we are entitled to assume that there is some relationship between his attendances here in Ottawa and his actual degree of confidence in the Prime Minister.

Some hon. Members: Oh, oh.

Mr. Stanfield: I am sorry that the Minister of Indian Affairs and Northern Development (Mr. Chrétien) is not present to hear my remarks. I will proceed with them, in any event. First of all, I think I can properly commiserate with the officials of the Department of Indian Affairs and Northern Development. I understand that several of them were forced to work all Monday night in a desperate effort to find something for the minister to say in this debate.

Mr. Nielsen: They failed.

Mr. Stanfield: We have heard the results. It is obvious that their job was not easy.

Mr. Côté (Longueuil): Who wrote the hon. member's speech?

Mr. Boulanger: It is a shame that the hon. member speaks in that way.

Mr. Stanfield: The north, of course, is a physical frontier where life perhaps is hard but where hopes can certainly bloom. There are hopes of vast economic growth and hopes, at the same time, in that area for the preservation of a land of rugged, natural beauty where pollution so far is virtually absent and where a healthy and natural life is, so far, possible. The very expression of these goals makes it obvious immediately that there is a danger of conflict from the outset. We can already see the need for the careful balancing of policies that others have referred to that are based on the realistic appraisal of the effects of the various choices that we must make. That is the basic premise from which we, in the official opposition, have started initiating this debate on the northern policies of the present government.

The development of realistic and effective northern policies demands a good deal of care. That, certainly, should not be an excuse for inactivity, confusion or ignorance, all of which this government stands accused of in this present debate.

An hon. Member: What does the hon. member know about this subject?

Mr. Stanfield: It stands accused of that, if I may say so, not only in connection with this debate. From the government's own ranks have come charges of neglect. From its own ranks have come suggestions of incompetence and of refusal to take the necessary lead. There are two questions that we must ask.

An hon. Member: Who must ask them?

Mr. Nielsen: People like the hon. member for Trinity (Mr. Hellyer) are asking them.

Mr. Stanfield: What do we, meaning all the people of Canada, want from our north; and what does the north, and I refer to its peoples and its animals, want from us and need from us? I refer to, those who hold the reins of power. First, what do we want from the north? We want to see a realization of the north's economic potential for the benefit of the whole country, including the present and future inhabitants of that vast area.

Some hon. Members: Hear, hear.

Mr. Stanfield: We want to see our resources developed and, as the hon. member for Athabasca (Mr. Yewchuk) said, we want to see them processed to the greatest degree possible. Certainly, we do not want to see the processing issue used as an excuse for holding back northern development.

May I point out, in connection with the settlement of Indian claims in Alaska, that the discovery of vast oil reserves in that region has made it possible for the state of Alaska to make a generous offer. I am not suggesting that we should withhold a generous settlement until those circumstances prevail in this country. I am just pointing out this fact to those who would tend to downgrade the significance of economic development and the revenue that it can produce. I suggest that much more might be done to encourage the diversification of the economy, especially in the middle north. I am not talking only about the far north. Much more could be done to expand the processing of our nonrenewable products. As others have emphasized, we must not simply be satisfied with draining the north in the shortest possible time. We must have long term policies. As far as I know and can understand, this is where this government has failed. I would love to be proved wrong, Mr. Speaker.

What do we want from the north? We want the north to make its unique contribution to the Canadian economy and Canadian life because the north is part of our heritage. It is a part that we should use wisely for our common benefit.

• (4:30 p.m.)

What does the north expect from us? It is perhaps presumptuous to try and express this, but I would like to try. I think it expects wisdom of the sort to which I have just referred. It expects an understanding of its peculiar problems. It expects a determined effort to find policies that will enhance and not destroy its basic character. It expects us to deal justly with the issue of the rights of the native peoples, not to try to tell them what we want from them, as the present government has been attempting to do so disastrously, but to work with them in a co-operative effort to maintain their culture and to ensure that they benefit in the way they desire from the economic development that will take place.

The native land question has been allowed to fester for too long. The hon. member for Peace River (Mr. Baldwin) spoke at some length on this subject which he knows so well. I would simply like to say that the settlement of this issue in a way that is fully acceptable to the Indian and other native peoples must be a top priority for any government that is working out a long term program for the north.

Some hon. Members: Hear, hear.

Mr. Stanfield: The Minister of Indian Affairs and Northern Development said this afternoon that the Indians concerned are governed by treaties. As I understand it, that is not a fact.

Mr. Orange: You better get your facts straight.

Mr. Stanfield: I want to get my facts straight and the minister better get his facts straight.

Some hon. Members: Hear, hear!

Mr. Stanfield: As I understand it, those treaties do not apply to the Yukon and certainly do not apply to the native people in the territories. This was a misleading statement for the minister to make. The white paper relating to the Indians was a disastrous start to the whole discussion.

Mr. Côté (Longueuil): You were in favour of it.

Mr. Stanfield: I said it was a disaster, Mr. Speaker. This has been indicated from day to day. I hope the minister deals more carefully and more openly with the Indian and other native peoples than he did in the House today when he made that assertion about the treaties covering the Indians in the north.

Some hon. Members: Hear, hear!

Mr. Stanfield: I challenge the minister and member opposite to justify that statement. It cannot be done.

Beyond that specific issue, the north expects us to act on the basis of accurate knowledge as to what its problems, potential and needs are. It is not enough to go in half-cocked like the present government and throw around suggestions in Texas or somewhere else without knowing the actual situation and the effects on the ecological balance of such massive undertakings. In the north, as in the south of this country, this government has frequently indulged in very loose words and vague promises. These are not what is needed, but it is apparently all that this government is able to give.

Although I was joking yesterday with the leader of the New Democratic Party that he might become an expert like myself, I make no pretense at being an expert on the subject. However, on my desk upstairs I have a massive report put out three years ago by the United States government with regard to every aspect of life in Alaska. This report, prepared in the knowledge that the Alaska frontier would soon become an issue, deals in detail with the culture and economy of the native peoples, the geological and geographical structure of Alaska and the possible impact of change. This was done so that any future projects could be examined in the light of knowledge, not in the light of vague reassurances or easy prejudice.

What have we in Canada done that is comparable? That is something I would like to know. What are we doing now?

Mr. Orange: You should see all the reports on the north.

Mr. Stanfield: I do not say that the government has done nothing, but almost nothing. Regardless of the other issues that it raises, the trans-Alaska pipeline system has already had a good deal of work done on it. I say in all sincerity that surely here is an opportunity for the Canadian government to send observers to learn first hand some of the problems in such a major project, a project of a type that we may well be faced with in the future, perhaps before not too long. I believe that observers would have been welcome. I got that impression when I was in Alaska last month. However, none were sent. Why? I do not know.

The University of Alaska at Fairbanks is deeply involved in northern and Arctic studies. Some Canadian students go there, but there is no evidence of any interest on the part of the Canadian government about what is happening.

Mr. Côté (Longueuil): We know more.

Mr. Stanfield: The minister says we know more. I want to assure the minister that while I am certainly not an authority, I was highly impressed with the competence of the people I met at the University of Alaska.

Mr. Orange: How about the universities in Canada and the work they are doing?

Mr. Stanfield: I content myself with the fact that there has not been enough liaison with regard to what is going on in Alaska in connection with TAPS by way of research. Also, there has not been nearly enough association with the University of Alaska. There is an agreement with Russia providing for some kind of interest with regard to the north. I highly approve of that. I visited Russia last summer. It was obvious that Canada should be urged to do that. I am happy that it has been done, but we have been neglecting sources of information right next door. This is just another example of the government's lack of foresight or lack of interest. I think it is a lack of foresight. The government has obstinately refused to develop a comprehensive northern development strategy. Such an attitude is not easily forgivable.

I am not suggesting that the government should be planning to take over the northern economy. I say that the federal government has a great responsibility for and toward our country. We have an obligation to encourage its rational exploitation and to protect the environment. We must actively look into the possibilities for future transport routes and systems. The hon. member for Edmonton-Strathcona referred to the research that is going on in connection with certain aspects of transportation. This is good, but we must go far beyond this. We must see where airport facilities should be developed and expanded. We must see what things are possible and desirable.

Former Progressive Conservative governments did move in this field. As already pointed out, the Roads to Resources program was greeted with ridicule then and now by members opposite. Fortunately, they could not prevent its achievement, but they are making it clear today that they have no intention of making a contribution of their own to any integrated transportation policy.

• (4:40 p.m.)

The hon. member for Edmonton-Strathcona spoke about ways in which the government was helping out in the north. This is not the impression I gathered from talks with those who were actively engaged in northern development. They were full of complaints about the ineffectiveness of the government, particularly in the area of an appropriate transportation policy. In transport, as in other directions, we must develop a northern strategy, not to destroy the north but to see how it can best interrelate with the southern parts of this country. The present government's lack of such a strategy is merely a reflection of its general lack of long term policies. It has been unable to formulate policies to benefit the economies of the southern or middle parts of Canada. How, then, could we really expect it to accomplish more in the north? It has no policy to protect the environment of the coast of British Columbia threatened by the possibility of oil spillage along the proposed tanker route from Alaska to the south. How could we expect it to do better in the north? Its policies are weak in every sphere of activity and in every area of Canada. This is not the moment at which to deal with regional disparity about which so much was said two or three years ago by the Prime Minister, except to note that it is deeper now than ever it was.

We have chosen in this debate to put the spotlight on our northern land because nowhere is the ineffectiveness of the government more glaring or its failures more dangerous.

Some hon. Members: Hear, hear!

Mr. Stanfield: It would be too much for me to ask this government to display vision in the north, or anywhere else, I suppose. I would settle for a little common sense and a spark of imagination, though there is no evidence that even this will be forthcoming. The government has not even been seeking out the information readily available to it. This is why I ask hon. members present for their support for our motion this afternoon. By passing such a motion maybe we could at least scare the government into paying a little more attention to this whole issue, and fear is, after all, sometimes the beginning of wisdom.

Some hon. Members: Hear, hear!

Mr. Randolph Harding (Kootenay West): I have followed with a great deal of interest the debate which has taken place on northern development. I listened with unusual interest to the minister's speech today. He gave the impression that everything was going well and according to plan, that the government has the development of the north well in hand. I also gathered that he and his colleagues are content to allow the present type of development to continue without much change.

In one of his asides, the minister said the NDP would like the north to remain in cold storage, that the party to which I belong would prefer to prevent the export of any raw material from that region. This is simply not the case. This is a clear indication that the minister did not understand the point which was made by the leader of our group when he spoke in the debate yesterday.

I should like to bring to the attention of hon. members the terms of the motion put forward by the Official Opposition which we are presently debating. The last part reads:

—and this House condemns the government for its failure to promote a truly Canadian strategy for the north based on human, capital and natural resources, and urges that appropriate policies be adopted at once designed to bring about such development in that region.

Our party offered an amendment to that motion and I should like to put it on record because this is the second day of the debate and some hon. members might have forgotten it. This is how the motion would read together with our amendment:

That this House condemns the government for its failure to promote a truly Canadian strategy for the north based on human, capital and natural resources and urges that appropriate policies be adopted which would take into account environmental dangers, the problem of foreign ownership, the future needs of Canada, and the basic and prior rights of the native inhabitants of the Territories, including their claim for a settlement that would recognize their rights in the land and its resources.

When we talk of northern Canada, we are speaking about an area which contains about 40 per cent of our total Canadian land mass. It is sparsely populated and difficult of access. It contains vast stores of mineral wealth and other resources which have remained largely undeveloped due to the extremely severe climatic conditions and its remoteness from readily accessible markets.

As we look back on Canadian development over the past 100 years, we find that successive Canadian governments have made many major and disastrous blunders in resource development. One of the most recent examples was the fire sale terms of the Columbia River water resources to the United States under conditions which are nothing short of scandalous when we look at the value of water resources today. Our whole Canadian economy is in jeopardy because of past actions by various Canadian governments. National goals and objectives were never laid down for the orderly and sensible development of our nation. In northern Canada, which is relatively untouched as yet, we have an opportunity to do the planning which should have been done throughout the whole nation. We have the opportunity to avoid the mistakes we made in resource planning in other parts of Canada. There is every indication, however, that the present government is plunging ahead as usual without any real plan or direction for our vast northern areas. This is regrettable, for unless full and adequate planning is carried out, we shall be unable to avoid making in northern Canada the same foolish resource blunders which we made elsewhere.

The traditional attitude to resource development in the north has been a greedy and reckless desire for exploitation, particularly of our mineral resources. The main purpose seems to be to dig them up and ship them out to other countries for processing. In all this development there has been little evidence of any intention to process these resources in our own country and to build communities based on the processing of these resources. The lack of concern for our northern environment, for our native peoples in that area, and for the future resource needs of our own Canadian people, makes it crystal clear that the government is following a pattern similar to that which was established in other parts of Canada in earlier days. Not only are we allowing foreign concerns to control our richest mineral resources in the north, but we are actually subsidizing them for doing this. I trust the Canadian people will soon realize that it is the deliberate policy of this government to encourage increased foreign control over the natural resource aspect of our economy, especially as it applies to northern Canada.

• (4:50 p.m.)

It is interesting to note that in 1969, 64 per cent of the value of minerals produced in the north came from foreign controlled enterprises. Most of this production was shipped out of Canada, despite the fact that most of the companies involved had received very substantial government subsidies. The failure of the government to insist on some type of processing in our nation for raw materials of this nature is nothing short of a national disgrace.

In an earlier speech I pointed out that petroleum exploration activity in the north had built up gradually through the early sixties and then slowly tapered off until the major discovery at Prudhoe Bay, Alaska. The Prudhoe Bay discovery sparked an unprecedented search for oil in the Canadian north. An additional 250 million acres were quickly brought under exploration permits and early in 1970 we found over 440 million acres were under permit. This virtually blanketed the whole of the potential oil bearing formations in the north. It is again of interest to note that, of the land held under petroleum exploration permit in northern Canada, 60 per cent is held by foreign controlled enterprises.

Now, let us look at the record of the federal government in their efforts to promote the integration of the native population into the expanding economic activity which is going on in the north. We find that the native or indigenous population, which includes the Indian, Eskimo and Métis groups, make up about 43 per cent of the total population of the territories. According to the 1966 census, the indigenous population in the Yukon territory was about 17 per cent of the total population. It was about 63 per cent of the total population of the Northwest Territories.

When we look at the mining industry, however, we find about 4½ per cent of the total work force came from the native inhabitants. In 1968, there were 11 operating mines in the Yukon and in the Northwest Territories employing a total of 2,002 workers. The total indigenous employment on these projects was 91 men, or 4½ per cent of the total. In the Yukon, there were 28 out of a total of 820, and in the Northwest Territories some 63 out of 1,182. This is a terrible indictment of both this present

government's integration policies and of those mining companies which have moved into the territory only to exploit the mineral wealth there, leaving precious little behind for those native indigenous groups which have called the territories their home for generations.

It is obvious that the indigenous groups in the Canadian north do not receive an adequate share of the wealth created through the exploitation of the mineral resources in their area. In addition, there is increasing evidence that adequate plans have not been made either to protect the environment and the wildlife in our northern regions upon which many of these natives depend, or to put much effort into the establishment of a basic economy which could offer them alternative employment. There is increasing evidence that the present unplanned economic activity and exploration which is currently taking place in the north is having a detrimental effect on many aspects of the environment.

We have talked about planning for northern Canada. It is nothing short of disgraceful that the land use regulations, which would help to give some proper direction to economic development in the north, have not yet been brought down by the government. The land use regulations were promised months ago and they should have been in effect right from the start of economic and exploration activity in our northern areas. I see absolutely no reason why they should be held up any longer and I now protest to the minister and this House that they should include the whole of northern Canada rather than only the few selected areas to which apparently they are going to apply.

The Science Council of Canada outlined the problem very clearly in one of their releases last year. The council suggested that we make a special effort now in the Arctic. The council went on to say, and I quote:

> It seems likely that Arctic resources will soon be vigorously exploited without adequate background study of the natural environment. In consequence, there is every prospect that northern development will be accompanied by the creation of a new set of environmental problems which would have been far easier to avoid than to rectify. Because of its high costs, the current prospect is for curtailment of Arctic ecological studies, even though the present pace is too slow. Yet here is a chance for Canada to try to steer the development of a great natural area on an ideal path, a course based on thoughtful prior analysis of the consequences of various policies.
>
> In association with the various aspects of oil and mineral exploration and transport in the Arctic, it is strongly recommended that there be an intensive program of environmental research. The first priority should be given to renewable resource inventories that would enable classification of Arctic ecosystems and define the distribution of various kinds of frozen ground water. These studies should be initiated immediately. Equally important is study of the productivity of Arctic ecosystems, particularly the tundra and the taiga. The omission of a tundra ecosystem study in the Canadian proposals for the international biological program is much to be regretted. Research is greatly needed on the effects of a modern technology on the slowly renewable resources of the Arctic to which a native culture is adapted.
>
> The sparse human population of the Arctic makes it unlikely that development will be associated with a strong public reaction. In these circumstances a more positive governmental policy and action are appropriate.

That was the statement made by the Science Council of Canada which pointed out to the government what we should do to develop our northern areas. I should like now to take a little time to point out what is actually happening as far as developing our northern areas is concerned. I should like to quote what the minister said in a radio broadcast on March 11, 1971 in the program "Encounter". This is the statement the Minister of Indian Affairs and Northern Development made at that time when talking about pollution of waters in the north:

> We said about the water in the north that nobody will use it if they pollute it. We will not fine them; we will cut off the water and that will be the end of it. So we want to develop the north in a fashion that we will not repeat the errors that we have made in the south.

Here we have the Minister of Indian Affairs and Northern Development telling us that the government has a program to develop the north, that it is going to look after pollution of the water systems of this vast area. Yet today he was boasting about the passage of several acts relating to northern development, one of which was the Northern Inland Waters Act. We passed that act in the 1969-70 session. Today, I asked him whether it had been proclaimed and he replied that he did not know. Let me tell him that it has not been proclaimed. This legislation, passed a year and a half ago, would have given protection to the rivers, streams and lakes of northern Canada. The minister has the gall to come and tell us the government has legislation on the books, intimating to the general public that they are ready to move in respect of pollution. The minister is the one who is at fault. When we pass legislation it should be brought into effect so that protection against pollution could be given to our waters.

• (5:00 p.m.)

Mr. Nielsen: They think if they sit on it long enough it will hatch.

Mr. Harding: I have here a statement, presumably for the council in the north, by Dr. D. J. C. Horwood of the Department of National Health and Welfare, in which he points out to the federal government the pollution problems we are facing in the Yukon Territory, particularly in the Yukon River. Not much more than a year ago we heard about the mining town of Faro, which I understand was planned by the federal government. That town is now dumping raw sewage into the river. The government did not even plan for a sewage treatment plant.

Mr. Nielsen: They did the same thing at Whitehorse.

Mr. Harding: We find now that warnings are being issued by the Department of Health to the people in the area of the Yukon River not to drink the water from certain parts of the river until after they have boiled it 15 minutes. We are now talking about plans for 1971.

This sort of procedure in respect of northern development is just not good enough as far as Canadians are concerned.

Let me refer to another point which is of major concern to the NDP. We are not happy with the extent of foreign ownership of the natural resources in our country. We have made this point time and time again, and we intend to push for Canadian control of our natural resources and our industries. What do we find in the reports emanating from the north? We are subsidizing foreign investment companies in their efforts to go into the north and skim off the cream of our mineral resources. These minerals are not processed in the north or anywhere else in Canada. These resources are shipped out in their raw form to other countries, and that is where labour intensive industries are being developed. This is one reason for wholesale unemployment in this nation. This is the direction in which this Liberal government is leading Canada. It is time Canadian people woke up to the fact and began to realize we need a new deal and a new approach.

Mr. Nielsen: And a new government.

Mr. Harding: And a new government. This problem in respect of our resources is a problem which has irritated us more than enough. We have talked about the native population of the north. There is no reason at all why communities cannot be developed there in which this material can be processed. In this way we could build up the areas with people involved in resource extraction, process and use.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I have not listened to all of the debate since I participated yesterday to some extent in committee functions. I have had an opportunity to read some of the speeches. I have listened with great interest to the words of hon. members this afternoon, and I have followed with great interest the intent and the direction of the debate. I am now a little reluctant to participate. Many Indian people have suggested to me that perhaps the white man talks too much. I shall attempt to avoid being guilty of that offence. I am delighted with the manner in which members on both sides of the House have referred to our native people. Perhaps I should limit my remarks in this regard to the difficulties faced by the native people of the Northwest Territories.

The Leader of the Opposition (Mr. Stanfield) and the opposition House leader referred to one outstanding thing which must be settled in the Northwest Territories in the interests of the native people. I wonder how many members in this House know what these treaties are all about, what they contain, when they were signed and so on. I have a few of them in front of me. Two of the treaties outstanding in the Northwest Territories are Treaties No. 11 and No. 8. Treaty No. 8 was dated June 21, 1929. I cannot seem to find the exact date when Treaty No. 11 was signed. Let me refer to some of the things contained in Treaty No. 11. It refers to terms, where it was signed and the people who were involved.

Let me refer to one pertinent section here which reads as follows:

> And His Majesty the King hereby agrees and undertakes to lay aside reserves for each band, the same not to exceed in all one square mile for each family of five, or in that proportion for larger or smaller families;—

This is a very important part of that treaty. Perhaps one of the important questions to be decided upon by this government, the Parliament and people of Canada is the establishment of reserves. The minister has said we have a lot to learn from mistakes we have made in southern Canada. Since I became a Member of Parliament I have often been asked whether the Indian people might not be better off if we abolished these reserves.

An hon. Member: What is the answer?

Mr. Marchand (Kamloops-Cariboo): I do not know the answer. This is a typical question. If we could turn the clock back it is difficult to guess what this Parliament, this government or any other government might have decided in respect of the establishment of reservations. This whole question is fundamental to the Indian people, particularly in view of the many disastrous situations which have existed and exist on the Indian reservations of the country.

When I was growing up I was often asked why I was trying to get an education. I was told that I would never get any place, even with an education, because I was an Indian. I was told I would never find a job anywhere because I was an Indian. This is the kind of belief which has been festering over the years and causing difficulty in respect of the reservation system. I do not know what decision I might have made had I been a member of the government at the time these reservations were set apart. Perhaps in the context of the history of that time I might have done the same thing.

It would be a mistake, in retrospect to abolish reservations. This is not the answer to the problem. Reservations are the domains of Indian people. They are part of their heritage and the life they have learned to live. These reservations must be developed. The resources must be developed in order to provide a better living for Indian people. The human resource on the reservations must also be developed in a way that these people can participate in all aspects of Canadian life, social, economic and political. This is what must be done in the Northwest Territories.

• (5:10 p.m.)

I was very pleased to learn recently that four native people were elected to the Northwest Territories Council. This representation is still small when one considers it in terms of the relative proportion of the population comprised by the native people in the Northwest Territories. The native people represent 60 per cent of the total population in the Northwest Territories. However, this is a giant step forward. Part of the reason for the native people being elected to the Northwest Territories Council is the action of this government. I take my hat off to the government for recognizing and encouraging this trend.

Abe Okpik was the first Eskimo appointed to the territorial council. One of the underlying reasons for his appointment was the desire to show that the Eskimo had a contribution to make. It was also a recognition of their culture, that they are a part of the Northwest Territories and should participate in the whole political process of the Territories.

What happened after that? Not too long afterward Simone Michael was elected. This is the way it should be. A few years ago I was involved in encouraging the Minister of Indian Affairs and Northern Development, at that time the Hon. Arthur Laing, to appoint an Indian to the Northwest Territories Council. I suppose I assisted in a way because I was helping the Member of Parliament for the Northwest Territories who was of the same mind.

Mr. Nielsen: He does not have a mind.

Mr. Baldwin: He needs help.

Mr. Marchand (Kamloops-Cariboo): No; he is doing pretty well. So, what happened from that point on? A couple of native people, Métis and Indian, have now been elected to the Northwest Territories Council. This is a great step forward in the participation of the native people in the electoral process and in the government of the Northwest Territories. This is as it should be. During the time I was discussing many things with the natives of the Northwest Territories we also discussed the idea of reservations. It was very interesting to note that a great number of them stated they did not want reservations. They are looking for some other way that would perhaps better fit the times. I do not advocate the establishment of reservations. I really am not suggesting this as a way by which the land part of treaties Nos. 8 and 11 should be settled in the Northwest Territories.

Another significant remark was made by one of the chiefs who has been appointed to the Council. He said that perhaps the longer his people wait for the settlement of this part of the treaty the better off they will be because many of them really do not understand what is going on. He said that perhaps as a great many more of the young people become educated and become leaders in the community the people will be in a better position in 10 or 15 years to understand the situation and make the right kind of settlement or deal for the Indian people so that they will have a better future than the native people have had in the past.

I was very interested when the hon. member for Peace River (Mr. Baldwin) said that the white paper on Indian Affairs was a disastrous start. In many respects this is quite a turnabout because when the white paper policy was announced on June 25, 1969 his party was quite happy to see it introduced. I should like to read a little of what the hon. member for Peace River had to say on that occasion. He said:

> Mr. Speaker, I thank the minister for his courtesy in sending me within reasonable time notice that he would be making a statement, and the copy of the statement which accompanied that notice. I hope this permits me to make a reply, keeping well within the framework of the injunction Your Honour laid down the other day.
>
> I thank the minister for the statement he has made. There was a reminiscent tone to it. I recall during the last years of administration under the leadership of the right hon. member for Prince Albert (Mr. Diefenbaker) that a joint committee studied this issue. The wording of the report of that committee dealt with the winds of change which were blowing through the ranks of the Indian people of Canada. Many of the thoughts which the minister expressed in his statement were good thoughts, repeating the thoughts in the report of the committee.
>
> We welcome the statement by the minister. It amounts to an acceptance of many proposals made by the Indian people through the years, and made by those who have worked on their behalf, in this party and elsewhere.

That is an indication of that party's acceptance of the policy on that occasion. I had some apprehensions at that time concerning the policy because, knowing how the Indian community would react, I felt some of the things were quite unrealistic. In retrospect, however, I believe this has probably been one of the best things which has happened to the Indian community. More than ever before the Indian people have been discussing the kind of future they want. This discussion has been carried on in the Yukon Territory, in the Northwest Territories and all over Canada. This is a good thing. Very often in the past policies were handed down and the Indian people had to live with them. I commend the government for taking this kind of approach. It is the right approach because if policies are to be made for the Indian people the Indian people must be involved in making those policies. I hope it will not be too long before there is some positive indication of what direction the policy will take. I hope the federal government, the Indian people, and perhaps the governments of the provinces involved will soon arrive at some consensus because there are a number of things which need to be done by way of legislation.

The present Indian Act is very restrictive. It is outdated and must be amended to fit the needs of the Indian people in modern Canada. The Indian people of Canada many years ago lived, and are still living, in very difficult circumstances. We are all aware of this. However, on the other end of the scale some of them also are very progressive and are quite capable of taking on the responsibility of administration of their own affairs and own communities. Such an opportunity should be provided to those who are capable of taking on responsibilities. It has always been my view that a new act should be based upon the philosophy of progressive options. The legislation should provide that the Indian people may move along as quickly as they wish.

During the recent trip to the New Zealand and Australia I had some very interesting discussions with the Maori people. There is a system there whereby four seats are set aside in Parliament for Maoris, representing the north, the south, the east and the west. This system has been advocated in Canada from time to time but I do not agree with it. I believe it would be a backward step if we were to adopt such a system now. The House of Commons must never be a place in which there is special status for any group of people. Everyone who comes here must be elected on the same basis. But on the other hand, the Maori system has worked very well. The people we talked to have said that the standard of living

which they now enjoy is a result of their having participated in the political life of the country and in the running of the country. It was also interesting to note that they feel that perhaps their system has now outlived its usefulness. They were interested in doing away with the system so that the Maori people may be elected to their parliament on the same basis as the other people.

• (5:20 p.m.)

I have covered the waterfront here. There are a number of things that I could have dealt with perhaps, but I will end my remarks here.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, in speaking on the motion before the House my first observation is that the government's failure to develop a workable policy concerning human and industrial growth in our northland is simply a reflection of their much greater inability to develop policies to promote a healthy economy. The problems of developing our northland are so vast and require schemes of such great proportions in terms of human and economic ingredients, that they cannot be undertaken, at a time when the economy is in a depressed state and when its future is so clouded with uncertainties, with any hope that we will do a good job.

Hon. members on the opposite side may wish to take some false comfort in the view that it is the opposition's role to oppose the government merely for the sake of opposing, and that we ought not to have anything constructive to say about the government on any occasion. That is certainly not my view of the role of the opposition, but I believe that certain facts speak for themselves.

The present government has had the embarrassment of having two of its senior ministers resign from the cabinet because of disagreements over the economic, fiscal and monetary policies which it is pursuing. The fact that the two former ministers may not have had identical views on the development of our economy should not in any way diminish the dramatic impact of their resignations and the clear evidence of what great divisions exist within the inner circles of the government, particularly on the matter of determining the direction which our economy is to take in the next few years and the fiscal and monetary tools which are to be used in order to arrive at our goals.

As disturbing as anything to me is the division of opinion which clearly exists within the government's chief advisory agencies on the most fundamental issues in our economy. The Bank of Canada and the Economic Council of Canada very clearly and publicly differ over the important question of whether tax cuts are now appropriate measures to be used to stimulate our economy, and I suggest it is most important in view of the future development of our northland.

The government may find some small comfort in reverting to a number of curious slogans such as "we have licked inflation", but the realities which are evidenced daily in the business and economic sections of our newspapers refute the notion that inflation has been stemmed. Indeed, going back to the Economic Council of Canada, it has warned recently that inflation is a problem which is going to persist as a serious matter in our economy for some years ahead, and for the development of our northland this is significant. Combined with this uncomforting but realistic appraisal of the situation goes also the advice that it is going to be some years before Canada returns to a full employment economy. I do not know what constitutes full employment but I should think that a level of unemployment not exceeding 3 per cent would be accepted by most Canadians as a reasonably high rate of employment provided, of course, the 3 per cent of the work force who are unemployed are not the same 3 per cent all the time and that during periods of unemployment they are adequately served by the various institutions and agencies which the government has erected to assist people in such circumstances.

In the not too distant future, and as Canada's vast and virtually untouched supply of natural resources, particularly our great quantities of fresh water, become even more in demand by various countries than they are today, I feel quite certain that the question of our sovereignty in large areas of the north is going to be challenged seriously. Moreover, I believe that some of the over-populated countries of the earth are going to question not only the morality of our holding such vast tracts of land which we appear incapable of putting to useful purpose, but indeed our very sovereignty over them as well.

It may be tempting to hon. members opposite to dismiss such questions, but I think we should all remember that our claim to holding so much of the northern hemisphere has never been acknowledged internationally with complete unequivocation, but rather we have fallen heirs to this land by default. I would have thought that the voyage of the United States tanker, the *Manhattan,* through our northern passage demonstrated the beginnings of a challenge to our sovereignty. The Americans, you will recall, Mr. Speaker, while attempting to do everything possible to assuage our concerns over the possible consequences of an oil spill, nevertheless failed to give a clear acknowledgement of the fact that the seas through which they were travelling were Canadian waters. If the Americans take the position that such waters are indeed international waters, then it is an easy matter for the Soviet Union, China, Japan and other great trading nations to take a similar view when it becomes necessary, convenient or desirable for them to make greater use of this northern route.

When one examines the pathetically reduced armed forces which this country has, we must give serious thought to whether we have any realistic capability at all of enforcing claims to our entitlement to all of the lands in the north which we now regard as sovereign Canadian soil. I believe the government could well be advised to consider the possibility of referring to the International Court of the Hague our claims to the northernmost regions of our country, particularly to the water between the islands, so that these may be clearly settled before our sovereignty is challenged by different and less impartial sources.

But of even more fundamental concern is surely the question of what bold and imaginative concepts or plans the government has to put forward as realistic measures

to develop our northern lands. The question is rhetorical because the answer is very obvious; it has no such plans to place before the House. The government's single largest failing, in my view, is that they have allowed to persist the notion that settlement in our northland is synonomous with deprivation and hardship. Under present development concepts, or rather I should say lack of them, this surmise is a logical and valid one. Surely, it should be apparent to the government that if they wish to attract to the north the human resources which will be required to develop it, they must implement a number of incentive schemes. Chief amongst these must be taxation measures which will offset the economic penalty of settlement in the north. I use the word "penalty" quite deliberately because in the present situation where the price of butter, bread and other staples, let alone any of the luxury items, is twice or more than in the southern parts of Canada, a most basic economic case can be made for tax alleviation.

Some may think that the salary differential in our northern regions is sufficient to offset the increased costs of foodstuffs, clothing and other items. This is not so, and what one must remember is that higher salaries place one in higher income tax brackets so that the net take-home pay which a person receives does not necessarily compensate him fully for the added net salary disadvantage which he encounters by living in the north.

Beyond taxation concessions to people who settle in the north, the government must consider ways of making life in the north more meaningful and attractive for its residents. It is my understanding that the Soviet Union has taken a much more progressive view in developing its northern land, and I think that we might well have something to gain from their experience and achievements. It might be opportune in this connection for the Prime Minister (Mr. Trudeau), who will shortly be leaving for Russia, to discuss with Soviet officials some of the questions and problems which the Soviet government has encountered in developing its more northerly regions.

I do not believe that we shall ever have sustained growth in our northlands until we begin to develop fully integrated communities. This means that the residents there must have meaningful access to a well developed cultural life. It seems to me that if we are serious in our desire to develop the north, we cannot expect the people who settle there to be deprived of the benefits of multiple radio channels, television channels, live theatre and a modest and expanding range of the performing arts as well as all of the other educational and cultural institutions which mark our southern municipalities and make them attractive urban centres for our population. The days of developing our north on a frontier basis have long since passed and I would have hoped the government would have realized that a frontier mentality will do nothing to develop our northland.

• (5:30 p.m.)

In discussing the development of our northern regions, we come to a more modern and timely problem which perhaps only in the last few years has really begun to seize our attention as it should have done some years ago. I am referring here to the ecological problems which settlement in the north can bring about. I think it is just as important, and perhaps even more so, for the government to have on-going and in-depth studies of the environmental and ecological problems which would be faced in developing the north in the same way that they are concerned with these problems concerning the pollution of our coastal lands by merchant tankers. The permafrost of the north with its problems for drainage and absorption of waste material, and the easy manner in which the tundra can be damaged, make it imperative that before large numbers of people are encouraged to settle in the north the government should bring to bear the best scientific resources and minds possible to determine the implications of large scale human settlement of the north. Only in this way can precautions be taken to meet the problems which will surely arise. Ecology and pollution are modern terms in our vocabulary, but the consequences of our failing to give them proper consideration could well be as devastating upon our future lives as plagues and other great pestilences were to generations gone by.

In particular, Mr. Speaker, I have two suggestions which I believe the government ought to act on forthwith if it has sincere intentions regarding northern development. First, I believe the time is now opportune to make the Yukon Territory a province, and the Mackenzie area as well. It is time that the residents of these two territories were removed from their semicolonial status and accorded the full rights and advantages of provincial status. I believe that the psychological effect alone of such a step by the government would help to attract more people to the areas.

Second, I urge in the strongest possible terms that the government reconsider and withdraw the increased mining taxes and royalties payments which the proposed new Yukon minerals act would enact from mining in the Yukon Territory. Few measures could be more detrimental to the development of the north at this time than for these burdensome measures to become law.

In summing up, Mr. Speaker, I merely wish to say that I support the motion because the government is derelict on all counts in developing a northern policy, as I have endeavoured to outline in my few remarks.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in the few moments that remain until the bell must ring I cannot possibly deal with all the issues raised in the motion and the amendment before us, nor indeed with all the issues surrounding northern policy and northern development.

Mr. Baldwin: It would take you an hour to defend the government.

Mr. Mahoney: Nevertheless, I should like to raise a few issues. In the first place, I note that in the debate which hon. members opposite made possible a few weeks ago on the Mackenzie Valley pipeline, the environmental aspects of this particular subject as introduced by the NDP amendment were dealt with in an extensive and adequate fashion. Had they listened to or even read that

debate, perhaps this particular item might not have been introduced at this time.

Looking at northern Canada realistically, it seems to me that we must admit, regardless of the rosy-eyed vision of many of us from southern Canada, that we are looking at an area which for a good long time to come, is going to have a resource based economy. With that in mind I think we have to look at programs for northern development from the point of view of resources. Programs that are most likely to benefit all of Canada, but particularly the residents of the north will encourage resource development. There is an idea fixée that seems to be shared mainly by members of the New Democratic Party, university professors and to a lesser extent some of our younger people, that it does not matter how we got where we are in Canada. They have accepted the fact that we have arrived and that it is presumably an act of the good Lord that brought us here. They seem to think that it does not matter how inhospitable we are to foreign investment, that we will continue to benefit from it. They have taken an almost psychopathic interest in the degree of foreign ownership in the resource industries, saying that because the companies which are largely engaged in those industries are now foreign owned and controlled, the resources themselves are owned by foreigners. That simply is not true.

Premier Strom has very clearly stated the view of his government when he said:

> It cannot be effectively argued in Alberta that there can be foreign ownership of Alberta's energy resources. Such resources are available for lease, license, or other form of terminal grant. Ownership does not pass to the company developing the resource. The province has and preserves the right to regulate the manner in which operations may be conducted, the terms and conditions under which any energy resource may be acquired and held for development, and the rentals and other charges that must be paid to maintain the operation.

In the federal field, Mr. Speaker, the National Energy Board controls exports of oil and gas, where and when pipelines may be laid, and the federal government controls the federal lands by way of permits or lease terms, rentals and royalties. As we all saw so clearly in the revocation on April 15, 1970, of Land Order 1-1961, the federal government is prepared to exercise its jurisdiction.

With the exception of a few instances of freehold ownership of mineral rights, the people of Canada by and large through their provincial and federal governments own all our resources. The fact that we grant opportunities for the development of these resources to foreigners in no way changes the ownership, and our governments have exercised the kind of control that is conducive to the public interest.

Another idea that seems to me to be predominant is that investment in resources is not productive of jobs, that it is not in the best interests of Canada and that some other type would be better. In view of the fact that the 1971 census is almost upon us, the figures I have to rely on here are out of the 1966 census, but I am confident that the 1971 figures will bear out the trend that is emphasized here.

[Mr. Mahoney.]

It seems to me that between 1946 and 1960 the only thing that happened in Alberta that was unique to that province was the discovery of petroleum in a very large way. During that period the number of jobs in Alberta more than doubled on the basis of the DBS employment index with 1949 equalling 100. Employment in Alberta increased from 82.6 to 167.4. In Canada as a whole the increase was from 88.2 to 130.3, a rise of 48 per cent. For Manitoba and Saskatchewan the increases were 30 per cent and 43 per cent respectively. The total labour force in the province of Alberta increased at an annual rate of 3.3 per cent during the period compared to 2.1 per cent for all of Canada. In other words, the number of jobs expanded in Alberta half again as fast as for Canada as a whole. The non-agricultural labour force in Alberta during that period increased at an average annual rate of more than 5 per cent compared to 3.2 per cent for Canada as a whole. The population of Alberta rose from something over 803,000 to something over 1,463,000, an increase of 82.2 per cent. During the same period Manitoba's population increased by 32.5 per cent. Saskatchewan's population increased by 14.8 per cent. The percentage of increase applied to Canada as a whole was 60 per cent.

• (5:40 p.m.)

What happened in Alberta to create this tremendously better performance in terms of population, jobs and wealth? It is a well known fact that during that period Alberta made the transition from a "have not" to a "have" province. Mr. Speaker, the only thing that happened there that was different from anything that happened in the rest of Canada and that was perhaps more spectacular than anything that happened in the sister Prairie provinces of Manitoba and Saskatchewan was the tremendous investment in the resources industries that took place in the province of Alberta.

The theory that nobody is standing around a producing oil well or that very few people are standing around a producing mine is all very well. Those who adopt that simplistic approach are not being completely honest in ignoring the additional exploration activity that is being induced by successful production. They completely ignore the secondary and tertiary employment that results from the resource industries. I think that any policy that on a national basis discourages investment in the resource industries will do a great disservice to all of Canada, and particularly to northern Canada.

Mr. Nielsen: That is what the government is doing with Bill C-187 right now.

Mr. F. J. Bigg (Pembina): Mr. Speaker, when you speak of the north you immediately think of the wealth of the country.

Mr. Peters: Why does the hon. member speak now, just before the vote? Did he not wish to make a speech lasting 15 minutes?

Mr. Bigg: It is some time since oil was discovered at Prudhoe Bay; yet I suggest that that discovery represents only the tip of the iceberg. All Canada is excited about

these new discoveries of oil. What the previous hon. member said about Alberta could well prove true for the whole of Canada. We ought to handle our national heritage as Alberta has handled its resources. We need to fear no spectres of American domination of our oil fields if we handle our own resources as they ought to be handled. There is no reason why, in developing the north, the people of Canada cannot utilize the same techniques of government controlled free enterprise which made Alberta prosperous in the last decade. As has been carefully pointed out, we own that oil that is still undiscovered. Nevertheless, it is there. What we need is a shot in the arm which the government could provide.

Mr. Nielsen: A new government.

Mr. Bigg: I hope that the government is thinking of going to the people. I sincerely hope it will do that, and the sooner the better.

[*Translation*]

The Acting Speaker (Mr. Richard): Order. It being 5.45 p.m., it is my duty, pursuant to section 9 of Standing Order 58, to interrupt these proceedings and forthwith put every question in respect of the motion now before the House.

[*English*]

Accordingly, the question is on the amendment.

The House divided on the amendment (Mr. Lewis) which was negatived on the following division.

• (5:50 p.m.)

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Bigg
Brewin
Broadbent
Burton
Cadieu
Carter
Coates
Code
Comeau
Crouse
Danforth
Dionne
Douglas
Fairweather
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Harding
Harkness
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacLean
MacRae
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Monteith
Muir
Nesbitt
Nielsen
Noble
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams
Yewchuk—(87).

Division

NAYS

Messrs:

Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Boulanger
Breau
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Émard
Forest
Forget
Foster
Gendron
Gervais
Gibson
Gillespie
Goode
Gray
Greene
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harries
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen.
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
Olson
Orange
Otto
Pelletier
Pepin
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Rochon
Rock
Roy (Timmins)
Serré
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—(118).

Division

• (6:00 p.m.)

Mr. Speaker: I declare the amendment lost.

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

YEAS

Messrs:

Aiken
Alexander
Alkenbrack
Asselin
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Bigg
Brewin
Broadbent
Burton
Cadieu
Carter
Coates
Code
Comeau
Crouse
Danforth
Dionne
Douglas
Fairweather
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Harding
Harkness
Hees
Horner
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Lambert (Edmonton West)
Laprise
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Cape Breton-East Richmond)
MacLean
MacRae
McCutcheon
McGrath
McIntosh
McKinley
McQuaid
Marshall
Mather
Matte
Mazankowski
Monteith
Muir
Nesbitt
Nielsen
Noble
Nowlan
Nystrom
Orlikow
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Rowland
Rynard
Saltsman
Schumacher
Scott
Simpson
Skoberg
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Woolliams
Yewchuk—87.

NAYS

Messrs:

Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Boulanger
Breau
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Comtois
Corbin
Corriveau
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Davis
Deachman
Deakon
De Bané
Drury
Dubé
Dupras
Duquet
Émard
Forest
Forget
Foster
Gendron
Gervais
Gibson
Gillespie
Goode
Gray
Greene
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Harries
Hellyer
Hopkins
Howard (Okanagan Boundary)
Hymmen
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McIlraith
McNulty
Mahoney
Marceau
Marchand (Kamloops-Cariboo)
Morison
Munro
Murphy
Noël
Olson
Orange
Otto
Pelletier
Pepin
Portelance
Pringle
Prud'homme
Reid
Richard
Richardson
Rochon
Rock
Roy (Timmins)
Serré
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Tolmie
Trudeau
Trudel
Turner (London-East)
Turner (Ottawa-Carleton)
Wahn
Walker
Watson
Weatherhead
Whelan
Whicher
Whiting
Yanakis—118.

• (6:10 p.m.)

Mr. Speaker: I declare the motion lost. It being after six o'clock, this House stands adjourned until two o'clock tomorrow.

It being 14 minutes past six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 13, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

PROCEDURE AND ORGANIZATION

Seventh report of Standing Committee on Procedure and Organization—Mr. Blair.

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

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NATURAL RESOURCES

REPORT BY MINISTER OF ENERGY, MINES AND RESOURCES ON MISSION TO AUSTRALIA

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I welcome this opportunity to report briefly to the House on the Canadian government mission to Australia which I headed from April 28 to May 6, 1971. Our purpose was to promote a continuing exchange of information on the development and marketing of natural resources in our respective countries. Our visit was in accordance with the statement made in Australia a year ago by the right hon. Prime Minister (Mr. Trudeau), with the Australian Prime Minister, establishing an objective of increasing contact by ministers and officials in areas of common interest.

It was generally agreed in talks which we held with federal and state ministers and officials and with persons in the private sector that Canada and Australia faced many similar problems in developing natural resources, in particular matters relating to the foreign investor, further processing of resources, the provision of infrastructure and in obtaining the maximum opportunity in world markets for our commodities.

• (2:10 p.m.)

In a joint statement made in Canberra on April 30, 1971, by myself and the Hon. R. W. Swartz, the Australian Minister of National Development, we outlined the topics and views which arose in our discussions which were conducted in an atmosphere of friendship and frankness. These ranged over the following: Foreign investment policies and the role of the countries' respective banking systems in such policies; an exchange of information on matters concerning minerals and metals in world markets; matters connected with particular mineral commodities which Canada and Australia produce. These included uranium, copper, iron ore, nickel, lead, zinc, sulphur, aluminum and coal; national philosophies and approaches to energy, mining and resource development, mining legislation and relations between central governments and other administrations and provincial governments in Canada and state governments in Australia.

The minerals industry in Australia has experienced spectacular growth since the end of world war II. Australia will become an even more important mineral exporter in 1971 and years ahead, chiefly because of increased sales of iron ore, coal, bauxite, alumina and nickel.

Australia has uncovered significant and rich deposits of uranium. Canada shares a common interest, particularly in the short term, when the uranium market may be soft, in continuing liaison with Australia on the marketing of uranium.

We were informed that the Commonwealth Government of Australia has now under consideration the decision with respect to its nuclear programs and we put forward the Canadian position with respect to the various modifications of Canada's CANDU reactor which could be made available to meet Australia's needs.

It is in the interest of both our countries to get the optimum price for our raw resources, and to achieve maximum economic processing at home, and thus to leave the maximum amount of the dollars in our respective countries in the form of taxes, profits and in wages from resource development for the growth of our own economies. It was clearly agreed that in working more closely together and having a continuing association we can best assure these objectives.

The talks were the most comprehensive of their kind concerning natural resources ever conducted between the two countries, and mark a new aspect of the role of Canada in the affairs of the Pacific basin, in line with the government white paper on foreign policy.

I can report to the House that we expect to continue these discussions with the Hon. R. W. Swartz, Commonwealth Minister of National Development, here at Ottawa within the next two to three months.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I was about to enter a mild complaint about the fact that a copy of the statement we have just heard reached my desk only a few seconds ago, although that may not be the minister's fault, leaving me with insufficient time in which to prepare to comment on it. But having read it and listened to him it is obvious that I had ample time in which to do so. I suggest to the Secretary of State for External Affairs that judging from the language of this communiqué the Minister of Energy, Mines and Resources must be considered a strong candidate for his position.

The statement contains some sensational passages; I shall refer to two of them. The minister said: "We outlined the topics and views which arose in our discus-

sions which were conducted in an atmosphere of friendship and frankness." That is a tremendously important statement. He also said: "It is in the interest of both our countries to get the optimum price for our raw resources." Spectacular, Mr. Speaker!

Some hon. Members: Oh, oh!

Mr. Baldwin: I think what happened was that the minister went to Australia to sell something and he had no more success in doing so than he had in selling himself to the electorate of Lanark and Renfrew.

Mr. David Lewis (York South): Mr. Speaker, I am delighted to begin my remarks by congratulating the hon. member for Peace River (Mr. Baldwin) on both the humour and the relevance of his remarks. I want to say to the minister that he could save the time of hon. members and save himself the trouble if he would refrain from bringing this kind of meaningless nonsense before the House as an alleged report.

Some hon. Members: Hear, hear!

Mr. Lewis: I suggest to him that if he has nothing to say it is much better not to say it.

The minister tells us that the communiqué contained topics and views and then he gave us the topics but not the views. I would be interested in knowing what the views were. I would be interested in knowing what the minister told the Australian minister about the Canadian government's policy on foreign ownership. We have been waiting for that for two years and do not have it yet. If the Minister of Energy, Mines and Resources was able to tell the Australian minister what the policy is, then he owes an apology to the House for not telling us.

An hon. Member: Don't get political.

Mr. Lewis: I am trying not to. As for the rest of the statement, it is precisely what the hon. member for Peace River said it was—a lot of words.

I hope the minister had a good time in Australia. I have never visited that country and look forward to doing so. I hope he sold a reactor to the Australians, though he did not say so. I have not known the minister to hide his accomplishments under a bushel; therefore I must conclude that he did not succeed in so doing. I appeal to him not to worry us with this kind of thing unless he does so in comedy.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I thank the minister for sending me a copy of his statement approximately two minutes before I left my office, even though this was the English version.

I do not have the French version; I intend nevertheless to make some comments on his statement in the House. He said, for instance, that his trip to Australia had permitted him to have talks with his counterpart, the minister of national development, and to state that the two countries—

[*English*]

—faced many similar problems in developing natural resources, in particular matters relating to the foreign investor—

[*Translation*]

The minister likes to hear himself talk. I agree entirely with the leader of the New Democratic Party (Mr. Lewis) who said that the statement is made up of well constructed sentences, but that it is at best a piece of rhetoric that does not have much meaning. In fact, he said, and I quote:

[*English*]

These ranged over: foreign investment policies and the role of the countries' respective banking systems in such policies;—

[*Translation*]

I should have liked the minister to go a little more thoroughly into his views of that important matter, because that is where the problem lies. What is the contribution of foreign investment to the development of our resources?

For many years we have been telling the government and the minister to use new credits issued by the Bank of Canada for the development of our natural resources and the treatment of raw products but the minister pays no heed to our suggestions.

For instance, when we go to the United States for $100 million which are lacking in Canada, that makes an extra $100 million, but the minister does not bring back from the United States a wheelbarrow load of dollars. He returns with figures. What difference would there be between "setting up figures" based on our resources through the Bank of Canada and going to the United States for them? Does a "7" written in Canada not have the same value as a "7" written in the United States? Is a "10" made in the United States different from one made in Canada? This is what the government should pay attention to.

If the minister is prepared, with his Australian counterpart, to discuss—

Foreign investment policies and the role of the countries' respective banking systems in such policies—

—I am anxious to see him come up with some concrete suggestions concerning a Canadian banking system which would allow Canadians to control their own development.

* * *

• (2:20 p.m.)

[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT INCREASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I wish to rise on a matter of urgent concern to move a motion under Standing Order 43. My motion relates to the tragic fact, as revealed by labour force statistics

released today, that the government's economic plan is causing unemployment to rise continuously in nearly every region of the country when the need for recovery and resurgence has never been greater. The bleak prospects for more than 650,000 Canadians constitute the most urgent and pressing problem which has faced this House and the nation in the last decade. Therefore I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House demand an immediate reconstruction, review and restatement of employment, taxation, and general economic policies, and that the House categorically rejects the traditional and reactionary economic policies accepted and applied by this government which have caused stagnation, blight, and unprecedented human misery throughout this country.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Gander-Twillingate. Under the terms of Standing Order 43 this motion requires the unanimous consent of the House. The Chair must inquire whether there is such unanimity.

Some hon. Members: Agreed.

Som hon. Members: No.

Mr. Speaker: There is no unanimity; therefore the motion cannot be put.

* * *

SENATE AND HOUSE OF COMMONS ACT

PROVISION THAT MEMBERS SHALL NOT ACT AS BARRISTERS AND ACCEPT FEES FOR SERVICES TO CITIZENS

Mr. David Anderson (Esquimalt-Saanich) moved for leave to introduce Bill C-247, to amend the Senate and House of Commons Act (St. Luke 11:46).

Some hon. Members: Explain.

Mr. Anderson: Mr. Speaker, I must say first that this is not my original suggestion. It came from a former member of the House for Kootenay West, Mr. Bert Herridge. The bill in question proposes to remedy the grievance that arises when the public relationship between Member of Parliament and citizen is subverted to the private relationship between lawyer and client to the financial hurt of the citizen, for example, when a citizen asks his member to make inquiries in an immigration matter and is later dismayed to find that he is billed for the service. This bill is designed to overcome this problem.

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

MOTIONS TO ADJOURN UNDER S.O. 26

THE CANADIAN ECONOMY

UNEMPLOYMENT INCREASE

Mr. Speaker: Before I call on the hon. member for Prince Edward-Hastings I should bring to the attention of the House that both the hon. member for Prince Edward

Hastings and the hon. member for York South have submitted, by virtue of Standing Order 26, notices to the Chair of their intention to move motions which are substantially the same. Therefore it might perhaps be preferable if both hon. members were allowed to present their motions, after which the Chair could give an opinion on the procedural aspect of the matter.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I move, seconded by the hon. member for Saint-Hyacinthe (Mr. Ricard), the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the Dominion Bureau of Statistics release showing that unemployment has risen from 6.0 per cent to 6.7 per cent of the work force, seasonally adjusted, during the month of April, despite the assurances by the Prime Minister, the Minister of Finance and other members of the government at the beginning of the year that unemployment would decline steadily as the year progressed.

INCREASES IN UNEMPLOYMENT AND COST OF LIVING

Mr. David Lewis (York South): Mr. Speaker, I ask leave, seconded by the hon. member for Timiskaming (Mr. Peters), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the fact that the incompetent economic policies of the government have now continued too long as manifested by the combination of a shocking jump in seasonally adjusted unemployment from 6.0 per cent to 6.7 per cent and an increase at the same time in the consumer price index of 1.8 per cent since the beginning of the year.

Mr. Speaker: As I indicated a moment ago, both the hon. member for Prince Edward-Hastings and the hon. member for York South have given the Chair notice of these motions. Since then the Chair has spent agonizing moments questioning whether the motions should be put. Hon. members realize that in circumstances such as these it is a very difficult decision to determine whether the provisions of Standing Order 26, from a strictly procedural standpoint, should be interpreted in order to allow the motion to be put and a special debate to take place.

What the Chair must take into account, first, is whether there have been discussions in previous weeks or previous months during the term of the current session on the matter proposed for consideration on an emergency basis. Hon. members know as well as I do that in the course of the current session we have had numerous discussions of the problem of unemployment and on a number of occasions have debated the matter of the economic policies of the government.

As I have said before, I feel there may be an occasion when the statistics brought to the attention of the House might be of such a nature that a motion should be granted in order to move the adjournment for the purpose of discussing the situation revealed by these statistics. At the same time, however, from month to month

we have had to consider those statistics and motions proposed on a regular basis dealing with those reports made by the Dominion Bureau of Statistics. The Chair has expressed the thought that because of the recurring nature of the matter and since we were dealing, unfortunately, with a continuing situation it was very difficult from a strictly procedural standpoint, to allow the adjournment of the House for an emergency debate.

The Chair must also take into account the possibility or probability of a debate by other means in the future. I do not think I can honestly overlook the fact that we still have before us and available to all hon. members for the purpose of general debate, particularly on the economic situation, 11 supply days which will be available during the weeks ahead. There is also the fact, as announced by the Minister of Finance, that there will be at least the beginning of a budget debate. I do feel that there will be a reasonable opportunity for debate on this very important and urgent matter within the days ahead.

• (2:30 p.m.)

Because of all these circumstances, and taking into account the precedents and the requirements of Standing Order 26, I do not think that from a procedural standpoint that it is possible for me to agree to an adjournment of the House later today for consideration of the very serious matter referred to by the hon. members for York South and Prince Edward-Hastings.

I might say that there is a third motion which in some ways is related to the two to which I have just alluded. The third motion is proposed by the hon. member for Oshawa-Whitby, but there are other aspects of this motion which the Chair would like to consider separately. Perhaps the hon. member for Oshawa-Whitby might be allowed at this time to make his motion.

An hon. Member: The budget debate is a month away.

* * *

UNEMPLOYMENT INSURANCE

EMERGENCY AID TO PERSONS NO LONGER ABLE TO DRAW BENEFITS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I ask leave, seconded by the hon. member for Moose Jaw (Mr. Skoberg), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the need to provide emergency aid to the thousands of unemployed Canadians who are no longer able to draw unemployment insurance benefits because high levels of unemployment have continued so long and because the government has announced its intention not to continue seasonal benefits beyond the end of this week.

Mr. Speaker: The hon. member for Oshawa-Whitby has given notice of this motion. I have again considered the matter very seriously and, as I pointed out a moment ago, there are very special aspects to this motion which perhaps are not germane to the other two motions to which I have referred, particularly in relation to the government's announced intention not to continue seasonal benefits beyond the end of this week. I have been reflecting on this aspect of the matter.

The Standing Order makes it possible for the Chair to delay decision on such a motion. I should like to have an opportunity later this afternoon to consider certain aspects of the matter, perhaps even in the light of the question period, and later this afternoon indicate to hon. members whether I feel there is such a difference between this motion and the other two that it might be allowed for the purpose of a special debate later today. If hon. members will allow the Chair to do so, as provided by the Standing Order, we will allow this motion to stand and I shall refer to it later in the course of our proceedings this afternoon.

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

UNEMPLOYMENT INCREASE—ECONOMIC STIMULATION BY TAX REDUCTIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance arising out of the very disturbing figures just issued by the Dominion Bureau of Statistics for the month of April relating to employment, and particularly unemployment. Is the minister now prepared to take the advice that we have been offering him for some months and stimulate the economy through selective tax reductions and other methods? I emphasize this, Mr. Speaker, in view of the fact that the seasonally adjusted increase in unemployment between the month of March and April this year is the highest such increase in 20 years.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, in preparing the forthcoming budget I shall of course take into consideration all the advice I receive, including advice from the Leader of the Opposition.

Mr. Stanfield: In view of the minister's statement on January 19 that he would be prepared to bet that unemployment on a seasonally adjusted basis would be progressively reduced throughout the year, I should like to ask the minister whether he meant to indicate that he was staking his position on that forecast and, if so, whether he is now prepared to pay off his bet and resign?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Some hon. Members: Resign!

Mr. Speaker: Order, please. The Leader of the Opposition is inviting the Minister of Finance—I am not sure what it is he wants him to do, to wager or bet or invest—

Some hon. Members: Resign!

Mr. Speaker: —but I would think that asked in those terms the question is not in order. Perhaps the Leader of the Opposition might care to rephrase it.

An hon. Member: Thirty buck Benson.

Mr. Stanfield: Mr. Speaker, I agree that the minister does not have to answer the question but I should like to direct a supplementary question to the Prime Minister. In view of the calamitous effect of the policies pursued by this government and by the Minister of Finance, is the Prime Minister prepared to assure Parliament that he will not permit this Minister of Finance to present another budget to the House?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

INCREASES IN UNEMPLOYMENT AND COST OF LIVING—GOVERNMENT POLICY

Mr. David Lewis (York South): I have a supplementary question for the Prime Minister, Mr. Speaker. In view of the fact that we now have a situation of very high unemployment, as has been indicated, and also a rise in the consumer price index for the first four months of the year at an annual rate of around 5 per cent, I should like to ask the Prime Minister whether from now on the government will be fighting unemployment or fighting inflation, since we have both?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have always said that we had to beware of these two dangers to our economy and we have fought both.

Some hon. Members: Oh, oh!

Mr. Trudeau: We have done it in spite of the advice of opposition parties—

Some hon. Members: Oh, oh!

An hon. Member: Come off it.

Mr. Trudeau: —who all through the inflationary period were suggesting that we spend more.

An hon. Member: That is a lot of nonsense.

An hon. Member: Why don't you try kissing it away?

An hon. Member: Kiss your problems away.

Mr. Lewis: Mr. Speaker, may I ask the Prime Minister this simple question to which I think the Canadian people have the right to an answer: Can the government now state to Parliament and the people of Canada that a policy of full employment is its first priority and not its phobic notion of inflation and that it will therefore abandon the gradual policy of hastening economic recovery that it has carried on until now because of its fears and take full measures?

Mr. Speaker: Order, please.

Inquiries of the Ministry

Mr. Trudeau: Mr. Speaker, when the Leader of the New Democratic Party speaks of our fear of inflation I must remind him that in the first full year of this government it was his party and the Conservative party which were blaming the government for not coming to grips with the problem of inflation. Therefore, if there was any phobia it began on that side.

Some hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: Does the hon. member for Champlain wish to put a supplementary question?

Mr. Matte: No, Mr. Speaker.

[*English*]

Hon. George Hees (Prince Edward-Hastings): I should like to direct a question to the Prime Minister, Mr. Speaker. In view of the unemployment figures announced today and the fact that the cost of living has gone up during the past three months at an annual rate of 7.2 per cent, showing that the government has obviously lost control of the economy, does the government intend in the near future to announce to Parliament a new approach to these twin problems of inflation and unemployment?

Mr. Trudeau: Mr. Speaker, as the Minister of Finance just said, if there are any new approaches we will announce them in the budget, but we believe that until then the government must remain free to adopt whatever measures it feels are necessary to combat whichever of these evils is menacing the Canadian economy.

An hon. Member: Don't you know which one?

Mr. Trudeau: The hon. member knows that in managing the economy you must look at the trends, and by the indicators which the opposition parties are now accepting, the seasonally adjusted figures, which incidentally they were accusing the government of hiding behind a few months ago—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, I have heard from the members opposite that it was intellectual dishonesty to use these figures they are now using.

An hon. Member: You can do better than that.

Mr. Trudeau: But if they are now prepared to accept them I suggest that they look at the trends since last September and they will find that the economy is improving.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Trudeau: Mr. Speaker, the trend, of course, is established by a series of figures, not just by one taken

out of a month, which 17 times out of the past 18 years have increased between March and April.

Mr. Speaker: Order, please.

Mr. Hees: Mr. Speaker, on a further supplementary I would just like to say that if that is a win I would hate to see us have a loss. Would the Prime Minister tell the House very simple which the government considers to be the most important problem, unemployment or inflation?

Mr. Trudeau: Mr. Speaker, I suppose the most serious problem of the House is the hon. member for Prince Edward-Hastings.

Some hon. Members: Oh, oh!

Mr. Trudeau: But of the two economic problems, Mr. Speaker, obviously full employment is the goal of this government. All through the period when we were fighting inflation we explained to the Canadian people that in order to have a successful and growing economy you had to kill inflation as an evil. Therefore, whether we fight unemployment directly or whether we fight it by curtailing inflation, we are seeking for a prosperous and successful economy.

Mr. Hees: That goes under the heading of gobbledygook.

UNEMPLOYMENT—INVESTMENT CONTROL TO DIRECT CANADIAN CAPITAL TOWARD JOB-CREATING PROJECTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a supplementary question to the Minister of Finance. In view of the fact that in the government's endeavours to come to grips with inflation it produced 659,000 unemployed at the end of April, while inflation is still with us, does the minister intend to take any new initiatives with respect to the government's economic policy and, particularly, does the government intend to exercise any control over investments with a view to directing the available capital in this country toward job-creating projects?

Hon. E. J. Benson (Minister of Finance): First of all, Mr. Speaker, as I have said previously, the government's economic policy is constantly under review, and it is under particular review at this time in preparation for a budget which I have announced will be forthcoming next month.

UNEMPLOYMENT—ASSISTANCE FOR PERSONS WITHOUT UNEMPLOYMENT INSURANCE BENEFITS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a further question to the right hon. Prime Minister. While we are waiting for the Minister of Finance to make up his mind about what kind of economic policy will deal with this abysmal situation in the country does the government intend to take any steps to provide for the unemployed who will not have unemployment insurance benefits available to them and who, after the fifteenth of this month, will not be entitled to seasonal benefits under the Unemployment Insurance Act?

[Mr. Trudeau.]

Right Hon. P. E. Trudeau (Prime Minister): I do not admit the premise of the question. For the past 14 months the government has been indicating that it is turning the economy around, and it began a series of measures—

Mr. Hees: One hundred and eighty degrees around.

Mr. Trudeau: —and began a series of—

Some hon. Members: Oh, oh!

Mr. Trudeau: Mr. Speaker, I think this is a very bad example for the children in the gallery.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Hees: Go and have a holiday; you need one.

Mr. Speaker: Order, please.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker—

Mr. Speaker: Does the hon. member for Compton wish to put a supplementary question?

Mr. Latulippe: Yes, Mr. Speaker.

[*English*]

Mr. Speaker: Order, please. The hon. member for York South has a point of order.

Mr. Lewis: Mr. Speaker, I rise on a point of order. Perhaps other hon. members are wiser in laughing at the remark which the Prime Minister made, but I want to say, Mr. Speaker, as one member of the House, that this unbridled arrogance—

Some hon. Members: Oh, oh!

Mr. Lewis: —in the face—

Some hon. Members: Oh, oh!

Mr. Lewis: This unbridled—

Mr. Speaker: Order.

Mr. Lewis: —this unbridled—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. We are still attempting to hear the point of order. I know that a number of hon. members have supplementary questions. I was trying to ascertain a moment ago whether the hon. member for Compton has a supplementary, and I will call on him in a moment. The hon. member for York South indicated that

he has a point of order. Perhaps he might indicate what it is. I had the impression a moment ago that he was making a statement instead of raising a point of order. He might help the Chair by indicating what his point of order is.

Mr. Lewis: If, Mr. Speaker, the hyenas opposite will keep quiet—

Some hon. Members: Oh, oh!

Mr. Speaker: May we have order, please.

Mr. Lewis: I rise, Mr. Speaker, to say that the unbridled arrogance of the Prime Minister—

Some hon. Members: Oh, oh!

Mr. Lewis: —in the face of this discussion of the most serious situation in the country in some time, in attempting to take over your task and tell Members of Parliament what to do and what not to do is unforgiveable.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Trudeau: On the same point of order, Mr. Speaker, I have some difficulty in understanding how it can be unbridled arrogance for me to attempt to take over your task and appeal for a bit of order so that I can talk economics, whereas it is not unbridled arrogance for the leader of the New Democratic Party to call the members opposite him hyenas.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. I wonder whether we might not try to return to the questions. I know it is the feeling of all—

Mr. Alexander: Never mind the red herrings. Let's get back to the action.

Mr. Speaker: Order, please. It seems to me it is the feeling of all hon. members on both sides of the House that the matter we are discussing is a very important one. I know hon. members are anxious to ask questions. A moment ago I saw quite a few members seeking to ask supplementaries and I am anxious to give them the opportunity to do so. But if we spend a good part of the question period on points of order and questions of privilege, legitimate or otherwise, there will be very few questions asked.

Mr. Nowlan: A supplementary—

Mr. Speaker: Order, please. The hon. member has caught the Speaker's eye and his ear. He will be recognized in a moment but I am trying to proceed, as much as possible in the circumstances, in an orderly fashion. I think we had reached the point a few minutes ago when the Chair wanted to ascertain whether the hon. member for Compton had a supplementary question.

[*Translation*]

INCREASE IN COST OF LIVING—MEASURES TO STABILIZE ECONOMY

Mr. Henry Latulippe (Compton): Mr. Speaker, I want to direct a supplementary question to the right hon. Prime Minister.

As the consumer price index is rising in every sector in a disconcerting manner, would the right hon. Prime Minister tell this House whether the government intends to intervene directly to establish a policy aimed at lowering prices and the cost of living in order to balance the economy and ensure stability to the Canadian currency?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, to answer this question, it would be necessary for me to know more about the means proposed by the hon. member to lower prices. Does he suggest control over prices and salaries through statutory means, and does he think, along with his party, that the federal government has indeed the necessary jurisdiction to do so?

[*English*]

Mr. Speaker: Order, please. I revealed a moment ago that the hon. member for Annapolis Valley had caught the Speaker's eye, so I shall recognize him now.

BUDGET TAX ADJUSTMENTS RECOMMENDED BY MINISTER OF INDUSTRY, TRADE AND COMMERCE TO OVERCOME PROBLEMS

Mr. J. P. Nowlan (Annapolis Valley): Thank you, Mr. Speaker. I would not want to accept necessarily the premise of the Prime Minister that he can talk economics if he cannot understand the subject, and so my question is directed to the Minister of Industry, Trade and Commerce. In view of the deepening economic problems of the country, and especially how they are affecting our export trade, and in view of the floating dollar which aggravates this problem, can the minister tell us in a general way, without saying what specifics may be involved, if he has made any recommendations at all to the Minister of Finance as to what adjustments, in a tax way, may be in the budget that the Minister of Finance is supposed to deliver some time?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have reported to the Minister of Finance that notwithstanding our many difficulties exports were doing rather well.

Some hon. Members: Hear, hear!

Mr. Pepin: For the first three months of the year the trade balance was favourable by $682 million.

Mr. McGrath: And what was unemployment?

Mr. Pepin: —seasonally adjusted, and on a non-seasonal basis, $682 million.

Mr. Speaker: Order, please. I suspect that the minister has many statistics he would like to impart to the House. I do not think that now is the time. He will have to do

that by way of a statement on motions. He should reply to the question as briefly as possible without going into details.

Mr. Pepin: Mr. Speaker, I just want to give one more figure if I may, because a few months ago the hon. member, Prince George of Hastings, was about to make a—

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The minister said he wanted to terminate his reply. It seems to me he was not doing so. He was referring to a previous question. I invite the minister to conclude his reply, if he wants to, as quickly as possible because obviously we will be running short of time.

Mr. Pepin: Mr. Speaker, last year there was a decline of manufactured products in our export content of about 3 per cent. It is well remembered that some hon. members tried to make a national crisis of this. I explained fully at that time why we had that decline. I am eager to report to the House that we have reached 40.4 per cent now in the manufactured content of our exports. So there was no crisis then and there is none now. On the contrary.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, if everything is going as well as the minister just indicated with regard to—

Some hon. Members: Oh, oh!

Mr. Pepin: I was talking only about exports.

Mr. Stanfield: If everything is going so well with regard to the manufacture of exports in Canada, how does the minister explain the unseasonal decline in the manufacturing industry in this country between the months of March and April?

Mr. Pepin: Mr. Speaker, I was talking about exports. The question was about exports and I answered about exports.

Some hon. Members: Oh, oh!

Mr. Pepin: If the hon. member has another question to ask, he should ask it. I was answering the question that was asked.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

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UNEMPLOYMENT INSURANCE

STEPS TO PROVIDE ASSISTANCE TO PERSONS WITHOUT BENEFITS

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is for the Minister of Labour. In view of the increased thousands now who are out of work because of the prolonged period of unemployment, which number will be added to at the end of this week as a result of the curtailment of seasonal benefits, can the minister inform the House whether special, emergency steps are being taken to provide additional benefits for the thousands affected by the level of unemployment?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I said yesterday, to be precise, to an hon. member, "I am sure the hon. member would not want to mislead the House in that regard." He was talking about something else. I also said, "I have no intention at present of extending seasonal benefits beyond May 15." This means that the people on unemployment insurance will be drawing benefits until the end of May. This is the significance of the May 15 date. They will draw benefits for two weeks following May 15. Extending seasonal benefits will do nothing for people presently unemployed and not drawing unemployment insurance as a result of the rather stringent regulations which make it impossible for many people who have been out of work for a long time to draw unemployment insurance. Nevertheless, I am aware of the situation and have asked for a full report from the department. I must bring to the attention of the House that the hon. member's suggestion would require a change in the Unemployment Insurance Act as well as an increase in the rates and would do nothing at all for people presently unemployed and who are not on unemployment insurance benefits, seasonal or otherwise.

Mr. Broadbent: After listening to that rather prolonged answer from the minister may I ask whether he will, after he has looked into the situation, inform the House, say by next Tuesday at the latest, of what he has decided to do?

Mr. Mackasey: Yes, Mr. Speaker. That decision will be based on the facts, figures and statistics which the department is putting together.

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[*Translation*]

THE CANADIAN ECONOMY

UNEMPLOYMENT INCREASE—MEETING WITH REPRESENTATIVES OF UNIONS AND INDUSTRY TO FIND SOLUTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask the Prime Minister a question.

Referring to a question asked a few weeks ago on the need to call a meeting of representatives of labour unions and the whole economic sector for the purpose of obtaining suggestions to curb unemployment, the Prime Minister answered that he did not deem this necessary at that time. In view of the present unemployment situation, which seems to be out of the government's control, could the Prime Minister tell the House whether the need for such a meeting at all these levels has not become evident today?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member certainly remembers that one reason why we should hesitate before taking such a step is that

we tried to do just that last year when, through the Prices and Incomes Commission, we suggested to various sections of the economy that a meeting be called to try and agree to somewhat curtail the inflationary trends. The hon. member will also recall that at that time we were unable to ascertain the co-operation or the attendance of representatives from large sections of the industry and I have no reason to believe, since I already have contacted them, that such a meeting would now be more agreeable to them.

[*English*]

Mr. Speaker: The hon. member for Peace River on a supplementary.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Prime Minister a direct question. In view of the situation releaved, will he replace the government's present economic advisers and scrap their policies which have proved totally inadequate to deal with unemployment and inflation?

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[*Translation*]

INDUSTRY

SHOES—MEASURES TO ASSIST QUEBEC MANUFACTURERS

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to ask a question of the Minister of Industry, Trade and Commerce who is also the member for Drummond.

I would like to ask the minister who cited figures a few moments ago indicating an increase in exports whether he is aware that footwear imports threaten the very existence of nearly 90 per cent of shoe manufacturers in Quebec, and could he inform the House as to the measures he is considering to rescue this industry from stagnation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am well aware of this situation, Mr. Speaker. If the hon. member would like to suggest with the unanimous consent of his Conservative colleagues that drastic protectionist measures be taken, I would be very happy to consider his suggestion.

Mr. Valade: Mr. Speaker, I think that it is a quite urgent question since it deals with an industry of which 90 per cent of its activities are carried on in Quebec.

I am asking the minister a clear and specific question.

Does he intend to take some steps liable to prevent early stagnation in the Quebec footwear industry?

Mr. Pepin: Mr. Speaker, I have often stated in the House that it would be wrong to think that all footwear imports in Canada directly affect the Canadian footwear industry.

Evidently some footwear should not be manufactured in Canada because it would not be profitable to make them. I am thinking, for example, of Japanese sandals.

What we have been trying to do, Mr. Speaker, as I have often mentioned it in this House—

Mr. Speaker: Order. The minister, I understand, wishes to give the hon. member some detailed information. It would perhaps be more simple if the minister would directly communicate the proper information to the hon. member who, I am sure, would be pleased to obtain it.

Mr. Valade: On a point of order, Mr. Speaker.

Mr. Speaker: Is the hon. member for Sainte-Marie rising on a point of order?

Mr. Valade: Yes, Mr. Speaker.

Mr. Speaker: The hon. member for Sainte-Marie.

Mr. Valade: Mr. Speaker, I rise on a point of order so as to report that the footwear industry is now in a deplorable situation and I ask the government to make its position and political objectives known—

Mr. Speaker: Order. Apparently, the minister wanted to go on and the hon. member for Sainte-Marie is rising on a point of order. Because of the very short time available, I will say to the hon. member and to the minister that it is most difficult to allow a minister to give a detailed reply to a question even if it is very important.

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I have a very brief supplementary.

Mr. Speaker: The hon. member for Saint-Hyacinthe wishes to ask a supplementary.

Mr. Ricard: Mr. Speaker, I would like to ask the minister why 35 shoe manufacturers closed their plants?

Mr. Speaker: Order, please. Again I suggest that such information could be obtained in a general statement by the minister on motions.

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[*English*]

THE CANADIAN ECONOMY

UNEMPLOYMENT AND INFLATION—INQUIRY AS TO CANCELLATION BY PRIME MINISTER OF TRIP TO RUSSIA

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I direct a question to the Prime Minister. In view of the crisis proportions of the unemployment problem and the inflation problem, are his plans still remaining the same with respect to his visit to Russia, or is he going to cancel this visit and stay home to deal with these problems?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I know that I am planning to leave on Sunday. I do not seriously think that by delaying or postponing the trip I would change the figures in a way in which the government itself could not change them in my absence.

Some hon. Members: Oh, oh!

Mr. Trudeau: However, the hon. member might be interested in knowing that I am going as far as Siberia.

Mr. Hees: The Prime Minister should not just go there; he should stay there.

EFFECTIVENESS OF MANITOBA DEFICIT FINANCING PROGRAM IN DECREASING UNEMPLOYMENT—SUGGESTED CONSULTATION

Mr. David Orlikow (Winnipeg North): I wish to direct a supplementary question to the Minister of Finance. In view of the fact that, unlike the rest of Canada, the unemployment figures for the province of Manitoba have decreased each month for the past three months because of the aggressive deficit financing program of that province, will the minister consult with his opposite number in Manitoba to find out how they do this and do the same?

Mr. Speaker: Order, please. The hon. member's supplementary is in the form of a suggestion.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. René Matte (Champlain): Mr. Speaker, I wish to direct a question to the Prime Minister.

In view of the contradictions which cast doubts on his words, could the Prime Minister once and for all clarify the situation and tell us whether or not the existence of a parallel government under the leadership of Mr. Claude Ryan has influenced the government in its decision to invoke the War Measures Act last October?

[*English*]

Mr. Speaker: Order, please. I do not think that question is in order at this stage. The hon. member for Calgary North.

Mr. Woolliams: My question has already been answered, Mr. Speaker.

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REGIONAL ECONOMIC EXPANSION

DECISION ON ATLANTIC PROVINCES DEVELOPMENT COUNCIL RECOMMENDATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): I wish to direct a question to the much neglected Minister of Regional Economic Expansion. Can the minister inform us, and I hope he can, when he is going to give an answer, which I will hope will be favourable, to the demand of the Atlantic Development Council for an appropriate strategy of development for the Atlantic provinces? I ask this question particularly in view of the tragic unemployment figures indicated in the DBS report for the Atlantic provinces, which are substantially higher than when the minister took office.

[Mr. Trudeau.]

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, of course we are working in close co-operation with the Atlantic provinces. To my mind, the Leader of the Opposition is not or does not want to be aware of the statistics. Since my department's programs have been in effect in the Maritimes the unemployment rate in this region, which used to be double the national average, has been cut by half this year and is still going down. So the unemployment rate has not increased compared with the national average, but it has decreased, Mr. Speaker.

[*English*]

Mr. Stanfield: A supplementary question. Can the minister tell us when he will be able to appoint a chairman of the Cape Breton Development Corporation, or are his policies so ineffective and discouraging that he cannot find anyone to put in that position?

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

ATLANTIC PROVINCES—EFFECTIVENESS OF DEPARTMENTAL POLICIES

Mr. James A. McGrath (St. John's East): I wish to direct a supplementary question to the Minister of Regional Economic Expansion. Notwithstanding the fact that the minister just misrepresented the figures on unemployment in the Atlantic provinces, is he now prepared to admit that his policies cannot work within the present framework of government policies and that unemployment is growing at a rapid rate in the Atlantic region and in the province of Quebec? Is the minister prepared to admit that his program is ineffective within the framework of government policies?

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate.

Mr. McGrath: I rise on a point of order, Mr. Speaker. I think the minister should be entitled to reply to my question.

Mr. Speaker: Order, please. I suggest that is a decision which has to be made by the Chair. The Chair is not prepared to allow the minister to reply to a question which in my view is clearly argumentative. The hon. member asked the minister whether he is prepared to admit that his policies are not good policies. That is an argument, not a question which is proper or procedurally correct.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, on a point of order—

[*English*]

Mr. McGrath: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: Order, please. I believe the minister is rising on a question of privilege.

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, I have been accused of distorting the facts and this is a very serious accusation. I would like to know where is the distortion in my statement that the average unemployment rate had decreased in the Atlantic area as compared with that of the whole country. The hon. member accused me of misrepresentation. This is serious and I think he should stop lying to the House.

[*English*]

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Again we are dealing with an argument between the hon. member and the minister. The minister gives statistics to the House. The hon. member says the statistics are inexact. The minister claims that they are correct. This kind of matter will never be resolved by a question of privilege or a point of order.

Mr. McGrath: I rise on a question of privilege. I said and I maintain that the figures in the Atlantic provinces for the past 10 years show that the minister cannot take any credit for any trend in the Atlantic provinces.

Mr. Speaker: Order, please.

Mr. McGrath: Also, the present figures indicate that unemployment is rising.

Mr. Speaker: Order, please.

Mr. McGrath: The minister should resign.

Mr. Speaker: Order.

Mr. McGrath: The minister should resign.

Mr. Speaker: Order. I realize that the hon. member for Malpeque is anxious to ask a question or a supplementary, whatever the case may be, but I think I should recognize the hon. member for Gander-Twillingate who has been trying to get the floor for a while.

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FINANCE

REQUEST FOR EARLY STATEMENT ON ECONOMIC POLICIES

Mr. John Lundrigan (Gander-Twillingate): Perhaps I can get an intellectually honest answer from the Minister of Finance. In lieu of the budget speech to be made in June, and in view of the present crisis, is the minister prepared to amend the date for his statement to the House and the country and either tomorrow or early next week make a definitive statement on the review, reconstruction and rethinking of the government's economic policies? In view of the fact that the Prime Minister will soon be leaving for Russia and will be out of the country for several weeks, the country is in need of some kind of statement now indicating whether there are any new plans or thoughts on the part of the government that can help Canadians at least to regain confidence in the economy.

An hon. Member: That is not a question. It is a speech.

Hon. E. J. Benson (Minister of Finance): At present it is my intention to present a budget some time in the first half of June.

Mr. Lundrigan: I wish to direct a supplementary question to the Prime Minister. In view of the fact the Prime Minister is not prepared to change his plans to travel to the Soviet Union, will he make a statement on motions tomorrow indicating some of the new plans, new economic policies, new employment policies and new taxation thinking on the part of the government to give some rejuvenation to the Canadian people during this period of crisis?

Mr. Speaker: The hon. member for Regina East.

Mr. Lundrigan: Mr. Speaker, the Prime Minister—

Mr. Speaker: Order, please. I am not sure whether the hon. member is rising on a point of order or to ask a question. If he intends to suggest that the Prime Minister was about to rise that was not my impression, and I am the one who has to be guided. The hon. member for Regina East.

Mr. Burton: My supplementary question is for the—

Mr. Lundrigan: A point of order—

Mr. Speaker: The hon. member for Gander-Twillingate rises on a point of order.

Mr. Lundrigan: Perhaps the Prime Minister did not hear my question.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. The hon. member for Regina East.

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REGIONAL ECONOMIC EXPANSION

CONSIDERATION OF REGIONAL LEVELS OF UNEMPLOYMENT IN PROGRAMS

Mr. John Burton (Regina East): I wish to direct a question to the Minister of Regional Economic Expansion. In view of the statement by the Prime Minister in a recent interview suggesting that the concept of full employment involves differing levels of unemployment, such as Ontario 1 per cent and the Atlantic provinces 5 per cent, can the minister indicate if this is the approach being followed by his department in its programs?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, as has been stated in the House, the objective of the department is to reduce disparities in Canada. Disparity means that a situation is not equal to another when compared with it and the purpose of the department is to reduce the disparity between extremes. We were successful in doing this, as I indicated earlier.

Inquiries of the Ministry

[*English*]

Mr. Burton: Will the minister inform the House when the level of unemployment in the Atlantic provinces was higher than in the month of April, namely 11.6 per cent—

Mr. Speaker: Order, please. The hon. member for Portage.

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INQUIRY OF THE MINISTRY

Mr. Gerald Richard Cobbe (Portage): My question is for the Minister of Industry, Trade and Commerce who is responsible for the census. Can the minister inform the House if the number of people leaving the province of Manitoba exceeds the unemployed?

Mr. Speaker: Order, please.

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REGIONAL ECONOMIC EXPANSION

ATLANTIC PROVINCES—REVIEW OF DEPARTMENTAL POLICIES

Hon. J. A. MacLean (Malpeque): My question is for the Minister of Regional Economic Expansion. In light of the fact that the number of employed persons in the Atlantic provinces dropped by 3,000 in the month of April and the number of unemployed persons increased by 5,000, indicating that the economy of the Atlantic region is contracting rather than expanding, will the minister assure the House that he will immediately review the policies of his department on an urgent basis so that the name of his department can be justified?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, for the figures quoted to have any sense, one must absolutely consider how the whole national economy is faring. Obviously, the Atlantic provinces have felt the effects of what has gone on at the national level, but when we speak of regional disparities it is a matter of finding out where the relative situation of the Atlantic provinces has improved or worsened, and I say it has improved.

* * *

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION

STEPS TO REDUCE UNEMPLOYMENT

Mr. Robert Muir (Cape Breton-The Sydneys): In view of the verification by welfare officials in the city of Sydney and by the executive of the Metropolitan Development Committee for Action in the city of Sydney that unemployment at the present time on Cape Breton Island amounts to 25 per cent—and this has been surveyed—can the minister tell us what steps the Cape Breton Development Corporation is taking or plans to take soon to reduce this unemployment figure?

[Mr. Marchand (Langelier).]

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I would have no one think that I am pleased with the rate of unemployment, whether it be 10, 15 or 20 per cent. Obviously, I am not. Every program we have prepared is intended to remedy the present situation in Sydney.

[*English*]

Mr. Muir: I don't know whether other members understood it, but to me the translation was absolutely terrible; I could not figure out what the reply was. In any event, I doubt whether the minister said anything of importance.

Mr. Speaker: Order. The hon. member will recognize that there are only a few seconds left before the end of the question period. Perhaps he might ask his supplementary?

Mr. Muir: Yes, Mr. Speaker, I shall be pleased to ask the minister a supplementary. Would the minister, on the first occasion he is available outside his own constituency, go to Sydney and meet with the officials of the Cape Breton Metropolitan Committee for Action as they request, and advise them what is going to be done regarding the mass unemployment and starvation in the Cape Breton area?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, in reply to the question put a while ago, I would say to the hon. member that to get an intelligent reply he should ask an intelligent question.

In reply to the second part of that question, I am quite willing to meet those people who wish to see me to discuss the serious problems in the Atlantic provinces.

[*English*]

Mr. Muir: On a point of order, Mr. Speaker, the minister is reflecting on the clergy, on union leaders and on business leaders who are involved in the work of this committee. They think these questions are intelligent. However, if the hon. gentleman wishes to advise these people that they are ignorant, that is his affair.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Orders of the day. I appreciate there are many hon. members who have not had an opportunity to ask their questions. I tried to keep the question period moving as quickly as I could but I was not entirely successful. I apologize to hon. members on that account, but perhaps other questions might be asked tomorrow.

Mr. Nesbitt: On a point of order, Mr. Speaker, I was under the impression, though perhaps I was mistaken, that Your Honour had actually recognized me a few minutes ago.

Mr. Speaker: That is not a very good point of order. I did recognize the hon. member but he was pre-empted when I thought the hon. member for Cape Breton-The

Sydneys should be permitted to ask a supplementary. Then there was a point of order raised and we had, by then, gone beyond the time allotted to the question period. I appreciate I have an obligation to the hon. member and I will try to keep it in mind and live up to that obligation tomorrow.

Mr. Saltsman: On a point of order, Mr. Speaker, since you are keeping in mind the position of the hon. member for Oxford, I wonder whether you would also—

Mr. Speaker: Order, please. I said that I had taken special note of the hon. member for Oxford, but I always have in mind the hon. member for Waterloo.

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HOUSE OF COMMONS

CONFLICT BETWEEN MEETINGS OF HOUSE AND STANDING COMMITTEE

Mr. McGrath: I rise on a point of order, Mr. Speaker. My point of order has to do with the business of the House. Today, while the House is in session, there are, according to *Votes and Proceedings*, 14 standing committees scheduled to meet. One committee is due to leave today at 4 p.m. on an important mission to Washington.

According to my calculations, these 14 committees have a total membership of 260. In other words, 260 of us are supposed to be meeting in the various standing committees this afternoon. This represents the total membership of the House, bearing in mind that there are five vacancies. In addition, of course, we must take account of the fact that there are 29 members of the cabinet and Your Honour, your two deputies, the Leader of the Opposition and the leaders of the other two political parties who are not normally called upon to attend committees. It is impossible for us to man all the committees this afternoon because, taking into account the factors I have mentioned, we are reduced to a total of 215. Yet 260 of us are supposed to be meeting in 14 committees this afternoon.

I am asking for your guidance, Mr. Speaker, because I am torn between my obligation to the House and my obligation to at least three of the 14 standing committees which are meeting. If I might be permitted to make one more comment before resuming my seat, may I say it seems that the government cannot manage the business of the country and cannot manage the business of this House either.

Mr. Peters: I wish to support the contention put forward by the hon. member for St. John's East. This afternoon, a number of my hon. friends in this party have been trying to farm out the manning of committees because they are concerned about the subject that the House will be considering in a few minutes time. The difficulty is that if they are replaced they will be replaced by members who have no continuity of attendance at meetings of those particular committees, and committees cannot function satisfactorily in that way.

Meetings of House and Standing Committees

Government supporters may be able to man the committees to the extent of providing a quorum, but I do not believe committees can function satisfactorily along those lines. This is a matter which should be taken into consideration.

I have particularly in mind the committee which is discussing the question of unemployment insurance. It is meeting this afternoon, and several of its members wish to participate in the debate in the House. It is obviously not good enough that members in all parties who are interested in the subject should find that the subject to be debated in the House is also before committees in another form. I strongly urge that the House leaders should meet and resolve this matter before the point is reached where members will say: To hell with the committees, we will pay attention to what goes on in the House. If this happens the level of committee work will deteriorate to such an extent that it will not be worth while for members to attend them at all.

[*Translation*]

Mr. Fortin: I rise on the same point of order, Mr. Speaker. I should like to support those who spoke before me on this subject.

Today the House is considering government order No. 78 which would establish a special joint committee—another committee on top of all the others we already have—to find out if we should pass permanent legislation on emergency measures.

Mr. Speaker, we see that today's problem is not new. It logically derives from this government's habit of trying to invite out of the House as many members as possible. Thus, as it has been said a moment ago, more than 14 committees will be meeting today so that over 260 members will be out of the chamber during that time. Mr. Speaker, I feel there is abuse there.

Therefore I should like to make a proposal to the government, namely that the subject matter and the number of members making up the committee be referred to the Committee on Procedure and Organization in order to find a much more flexible system that will take into consideration the members' interests, both in committees and in the House, thus enabling every member to do his work properly in both places.

[*English*]

Mr. Speaker: Is the hon. member for Peace River rising on the same point of order?

Mr. Baldwin: No, Mr. Speaker.

Mr. Speaker: Perhaps before I recognize him I should refer to the point of order raised by the hon. member for St. John's East. The submission that he has made is that there is an apparent or obvious conflict between the responsibility of members to the House and to the committees when we have so many committees sitting at the same time as this House is sitting. The point is not new. The hon. member for Timiskaming has made the point and the hon. member for Lotbinière also reminded us of it.

Indeed, a few weeks ago, perhaps a month, the hon. member for St. John's East made a formal presentation for consideration by the Chair and I subsequently delivered myself of a three-page opinion saying that, while I recognized the importance of the matter, I was not sure there was anything that the Chair was able to do except perhaps to try to bring together representatives of the different parties. I undertook at that time to take this initiative and I followed up on my promise. There have been subsequent discussions in the Speaker's chambers with representatives of the different parties. I brought to their attention, as earnestly as I could, the point made by the hon. member for St. John's East, which was repeated today, and I gathered the understanding was that there would be a discussion of this matter.

All hon. members will realize that the solution to this very serious problem must lie in a change of the rules. Unfortunately, the Speaker has no power to change the rules. We were told that the Committee on Procedure and Organization would be going on a special mission during the next day or so, I believe, and these very distinguished representatives of the different parties, I suggest, might take this opportunity to review once again the problem that has been raised today.

I realize the difficulty here, which is obvious. When we have, as we have today, seven committees sitting in the afternoon and five in the evening it is very difficult to expect a large number of hon. members to be in attendance in the House to debate a matter as important as the one that will be debated later on. What more I can do than I have done already is difficult for me to conceive, except that the matter having been brought up again I will renew my submissions on behalf of hon. members to the House leaders, the very distinguished representatives of the different parties, in the hope that some agreement can be found to alleviate the difficulty and perhaps solve the problem.

Mr. McGrath: Mr. Speaker, I should like to raise another point of order which I would ask Your Honour to consider at the same time. The government house leader and those responsible are able to get away with the business of scheduling a number of committees to sit while the House is in session because of what I consider to be an illegal practice that has crept into our procedure. I should like Your Honour to take this matter under advisement and rule upon it.

I refer to the committees of this House being allowed to sit and hear witnesses notwithstanding the fact that, according to the rules of the House, they are not allowed to operate without a quorum. That is an illegal practice which allows the government to get away with scheduling 14 committees to meet today while the House is sitting.

Mr. Woolliams: May I make a suggestion, Mr. Speaker?

Mr. Speaker: Order. Before I hear the parliamentary secretary it might be helpful to hear the hon. member for Calgary North.

Mr. Woolliams: Mr. Speaker, may I say I agree with the hon. member for St. John's East. I opposed the rule changes, and I suggest this problem can only be solved by setting up a legislative committee to take care of legislation. What we are trying to do is to get legislation through all of these committees at once and we just do not have enough manpower to do it. It seems to me that some legislatures do have legislative committees, which are usually large committees that sit much as we sit in committee of the whole House to study bills clause by clause. I throw that suggestion out if we are not going to go back to the former rules, which I think were much superior to the new ones that are not working at all.

Mr. Jerome: If I may briefly reply, Mr. Speaker, to the point of order that has been raised, may I say at the outset that I understand the concern of the hon. member for St. John's East, and indeed other opposition members who addressed themselves to this point. However, at the conclusion of the question period, which I take it is generally acknowledged to be the time when attendance in the House is at its optimum, only 50 per cent of all opposition parties uniformly across the board were present. So it is no wonder they are concerned about staffing committees.

Some hon. Members: Oh, oh!

Mr. Jerome: Be that as it may—

Mr. Speaker: Order, please. I am having some difficulty in hearing the representations being made by the parliamentary secretary. My impression was that after I had heard the submissions made by the hon. member for St. John's East, the hon. member for Timiskaming and the hon. member for Lotbinière, no member rose to my right. If the hon. member did rise I accept his word for it and apologize for not recognizing him. Fortunately for me, perhaps, a second point of order was raised by the hon. member for St. John's East which might technically give the hon. member the occasion to reply. Perhaps he should try to limit himself to the second point raised by the hon. member for St. John's East.

Mr. Nystrom: On a question of privilege, Mr. Speaker.

Mr. Jerome: I do, however, Mr. Speaker, want to hasten to point out that the *Votes and Proceedings* referred to by the hon. member for St. John's East—

Mr. Speaker: Order. The hon. member should resume his seat when I call him to order.

Mr. Crouse: Learn the rules, Jerome.

Mr. Speaker: When an hon. member rises on a question of privilege, the Chair must recognize him.

Mr. Nystrom: Mr. Speaker, a few moments ago the hon. member stated that only 50 per cent of the members of the opposition parties were present in the chamber. I might point out that 17 of our 23 members were here. Of the six who were not, two are ill. Therefore the hon. member is not reflecting the truth in making outrageous statements like that.

Mr. Speaker: This is an indication of the thought that I have always had, namely that not much can be achieved

by hon. members pointing to other hon. members and suggesting they are either here or not here, that there is absenteeism when there is not. I believe, generally speaking, there is good reason why members from time to time happen not to be in the House, and that this kind of exchange is not very constructive or productive.

Mr. Jerome: Mr. Speaker, just to correct the record, if I may, on a point of privilege, the *Votes and Proceedings* referred to by the hon. member for St. John's East, in which he suggested it was indicated 14 committees were scheduled to sit this afternoon, in fact reveals that only seven committees were scheduled to meet this afternoon, of which one met this morning. This committee, the Standing Committee on Justice and Legal Affairs, had a meeting scheduled for both this morning and this afternoon; and since it completed its work this morning that reduces the number to six. Even at that—

Mr. Speaker: I would point out that we are debating a point of order and perhaps we should attempt to limit ourselves. We are going backwards instead of frontwards. My impression is that we might try and debate the business of the House this afternoon, though we do not appear to be intent on doing so. Perhaps the parliamentary secretary might be allowed to finish his presentation as quickly as possible and then I shall recognize the hon. member for Cape Breton-East Richmond.

Mr. Jerome: I only wanted to say that we have endeavoured through the hon. member for Vancouver Quadra to co-ordinate the efforts of committees. Our most recent efforts were an endeavour to confine committee meetings to four at any one time, except in so far as the scheduling may be interrupted in cases where witnesses have been summoned. We are all anxious to try and co-ordinate this work in order to eliminate the problem, but it does not help to exaggerate the problem out of all proportion by suggesting that 14 committees have in fact been called to meet when in truth only half the number has been scheduled.

Mr. Speaker: The hon. member has already spoken to the point of order; I am referring to the hon. member for St. John's East. I wonder whether we should not allow the matter to stand there. It seems to me I have indicated what my thoughts are. Basically and essentially I agree with the hon. member for St. John's East, and I am not in disagreement with the arguments brought forth by the parliamentary secretary. Both sides of the argument have been stated. This is a matter of equal interest to hon. members on both sides of the House. I am sure there are members on the government side who, as members of this committee, are as anxious to have this matter settled as hon. members of other parties. I should hope that those who speak on their behalf in the high councils of Parliament, where representatives of different parties meet, will take into account the desires of the different members who are anxious that a solution to this very serious and pressing problem be found. I really do not see what more can be said at this time, except for the Speaker to reiterate his determination to press ahead with the business of the House.

Mr. McGrath: Mr. Speaker, I rise on a question of privilege and I do not wish to detract from the point of order I raised, because it is very substantial. It has to do with my rights as a member of this House. My question of privilege arises from the fact that I do not think the parliamentary secretary should be allowed to misrepresent what I said and by so doing misrepresent the facts. What I said was that there were 14 standing committees scheduled to meet today according to *Votes and Proceedings*. That journal does not show the fact that there is a subcommittee of the Committee on External Affairs also meeting today. Furthermore, *Votes and Proceedings* does not show that the Standing Committee on Procedure and Organization leaves at four o'clock today on a trip to Washington. If what the hon. parliamentary secretary said represents his only contribution, he should have remained in his seat.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. Again I suggest to hon. members that there is little point in proceeding in this direction. We have spent 20 minutes of the time of the House now considering something I do not think relates to the order of business this afternoon or the order of business of the five, six, seven or 15 committees, whatever number there are, and I think we should now proceed at this time with the business of the House.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, could the parliamentary secretary shed some light on the question of what we will be considering tomorrow and next week in the House?

Mr. Jerome: Yes, Mr. Speaker. This afternoon we will be proceeding with government order No. 78, a resolution in the name of the President of the Privy Council (Mr. MacEachen), dealing with the establishment of a committee on public order. If that matter is concluded today, and in any event if that matter consumes the full time of today, we will commence with these measures tomorrow in this order: Bill C-244, the Prairie grain stabilization measure; Bill C-238, the Canadian Wheat Board Act amendments; Bill C-246 respecting pilotage, and Bill C-240, the Post Office Act. I think it has been agreed that Tuesday and Friday of next week will be opposition days. If the debate scheduled for today is not concluded, we will return to this matter on Wednesday of next week.

Mr. Baldwin: For the purposes of clarification, will the parliamentary secretary indicate that if we do not conclude the debate we are to commence in a few minutes we will continue with it tomorrow?

Mr. Jerome: If we do not conclude the measure we are on today we will move tomorrow to Bill C-244 and the items enumerated.

GOVERNMENT ORDERS

NATIONAL SECURITY

APPOINTMENT OF SPECIAL JOINT COMMITTEE ON LEGISLATION TO DEAL WITH EMERGENCIES CAUSED BY LAWLESSNESS OR VIOLENCE

Hon. John N. Turner (for the President of the Privy Council) moved:

That a Special Joint Committee of the Senate and House of Commons be appointed to examine, inquire into and report upon the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future by reason of lawlessness or violence in Canadian society and that endanger the existence of government or the maintenance of the peace and public order;

That twelve members of the House of Commons, to be designated by the House at a later date, be members of the joint committee on the part of this House;

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

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

And that a Message be sent to the Senate to acquaint Their Honours thereof.

He said: This resolution arises out of the tragic events of last October and the experience of the government of the Canadian people with respect to those events. The question which this House is being asked to place before the committee for report is the nature and kind of legislation required to prevent and to deal with emergencies precipitated by resort to lawlessness or violence which can reasonably be anticipated to arise in the future.

In October, 1970 the government of Canada, the government of the province of Quebec and the administration of the city of Montreal were faced with a crisis that culminated in kidnapping and violent death. It is not my intention to review the events of that crisis because I am certain that they have been inscribed indelibly in the minds of all hon. members. Much has been said about them both within this House and outside of it, and it is sufficient for me to recall that the government decided, very reluctantly, to invoke the provisions of the War Measures Act.

I have used the word "reluctantly" deliberately because we recognized last October and still recognize that that act, with its sweeping regulation-making authority, touching upon almost every conceivable aspect of our social structure, conferred more potential power on the executive than was needed to meet an October, 1970 type of crisis. We also recognized that power of this kind should not be given to the executive except under conditions of absolute necessity. It was in recognition of this that, as soon as possible, the government introduced the Public Order (Temporary Measures) Act, 1970 which, upon its enactment, restored the War Measures Act to its dormant state.

[*Translation*]

Even if the October events are now part of history, we must nevertheless consider the present state of our society having regard to the lessons learned from those unfortunate events. We must study our society as it is now, when the impact of such events may increase or escalate because of our important and sophisticated means of communications heretofore unknown, but we must also be prepared to see things as they really are and, unfortunately, we are living at a time of confrontation where too many perhaps have embraced a philosophy which is based on violence and destruction. Their aim is not to ensure reforms or changes through democratic processes, but to destroy the established order and the social structures, in order to replace them with some form of totalitarianism. Such individuals do not hesitate to commit the most serious criminal offences. They have repeatedly done so, by resorting to burglary, bombing, arson, blackmail attempts on governments, kidnapping and even murder.

Hate, destruction and violence have been preached throughout the land and, although there were fewer and much less serious overt acts of disorder and violence outside Quebec than in that province, there is no guarantee, Mr. Speaker, that in future there will be no escalation in this field in other parts of Canada.

• (3:40 p.m.)

[*English*]

On the basis of Canadian history and Canadian experience over the past decade, and the existing social climate, it appears to the government that the events of last October and November cannot be relegated to the status of isolated aberrations unlikely to be repeated. While every responsible person must hope that there will be no repetition, there can be no assurance of this. Indeed, the government believes that some additional legislation is necessary to cope with those problems that may result in the future from disruption, intimidation and violence used as weapons of political action. Such legislation should be designed to permit a graduated response to emergencies that may arise. To the extent possible, response must be in direct proportion to the dimensions of the threat. The adequacy of our laws to meet future emergencies depends not only upon an analysis of those laws as implements of effective crime control but also upon a balanced assessment of whether they reflect the generally accepted and articulated values of our society—one of which is that they must not only facilitate the apprehension and prosecution of the lawbreaker but also that they must protect the innocent from unreasonable interference and harassment. A law that fails to reflect the articulated values of the social order to which it applies is a law that cannot and will not be enforced effectively.

The government is also fully aware that additional legislation in the field of criminal law, whatever form it might take, will not in itself provide definitive solutions to the problems I have been talking about. Indeed, if these problems are to be solved—and if society is to flourish, they must be solved—the primary solutions will be found outside the criminal law. Most of all, the solutions must be found in reforms that eradicate those

inequalities in our society from which political fanatics and anarchists draw nourishment for their existence.

However, that there are gaps in the criminal laws of this country that should be filled to facilitate effective law enforcement in times of serious crisis there can be no doubt. But, in eliminating those gaps, we must do everything that can be done to strike the proper balance between those sometimes conflicting and competing social goals of an orderly society on the one hand and of individual liberty on the other.

I wish to emphasize that while the government is of the view that additional legislation is desirable, a final decision has not been taken as to the nature and kind of legislation. The government agrees with those who are of the opinion that every reasonable opportunity should be afforded to those interested persons who may wish to make representations to this Parliament before definitive decisions are taken on the question. We believe the committee will recognize that its examination into these important matters should be thorough, but should proceed with as much dispatch as circumstances permit.

In conclusion, I wish to emphasize that it should be kept in mind, as the Prime Minister has said, that if the government is again confronted with an abnormal and serious crisis that cannot be dealt with within the framework of the existing laws, the fact that the subject matter of permanent legislation is pending before a Parliamentary committee will not prevent the government from immediately introducing additional legislation, if Parliament is sitting, or from summoning Parliament for that purpose if Parliament is adjourned. And finally of course, if circumstances should warrant it, recourse could again be made, as a last resort, to the War Measures Act.

I know that I speak for all members of this House in expressing the hope that none of these steps will be found to be necessary.

Mr. MacDonald (Egmont): Mr. Speaker, would the minister permit a question?

Mr. Speaker: Order, please. I believe the hon. member for Egmont would like to have the floor for the purpose of asking a question of the minister.

Mr. MacDonald (Egmont): Mr. Speaker, in concluding his remarks the minister talked about an abnormal situation. I think, as a lawyer, the minister would agree that it is very difficult to construct any law without knowing the nature of the problem for which one is trying to construct a law. Since the government is looking for some legal recommendations, would the minister indicate what the abnormal situation is about which he is speaking?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I think it will be up to the committee to examine the threats and the responses which may be necessary to meet those threats. That is the purpose of setting up this committee.

Mr. Eldon M. Woolliams (Calgary North): Well, Mr. Speaker, I am always happy to see my good friend the Minister of Justice (Mr. Turner) pilot through this House a motion, resolution or legislation. I notice the Minister of Justice was unusually short today. I hope that does not mean he wants to keep the matter which we are about to discuss covered up because I believe it is one of the most challenging things which has been before the House for some time.

In his opening remarks I was happy to hear the minister say that the committee, if it is set up, will wish to come to grips with the crisis—of course we call it the alleged crisis—that took place last fall, and the unfortunate events which surrounded it. I mention that because yesterday I had hoped to be able to cut down my remarks considerably when I asked the President of the Privy Council (Mr. MacEachen), because the motion is in his name, what was meant by the terms and conditions in this resolution. If we look at it very carefully, we will see that there could be some great argument—I say this with the greatest respect—if the committee is set up, and if this matter goes to the committee, concerning just what the terms of reference mean.

I wish to bring these words to Your Honour's attention:

That a Special Joint Committee of the Senate and House of Commons be appointed—

By this House.

—to examine, inquire into and report upon the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future—

I am glad the minister said this committee is to be set up because of what happened during the events of last fall. I believe, to start with, we might ask these questions: Was the War Measures Act necessary? Was there an apprehended insurrection? What was the effect of the implementation so far as the question of civil rights of the individual are concerned? How effective was it? What were the abuses and do we need any legislation beyond what is encompassed in the Criminal Code? Having said that, may I say that any committee looking into this matter must therefore have before it those witnesses who have, or allegedly have, the knowledge, such as the Prime Minister (Mr. Trudeau), the Minister of Justice (Mr. Turner), the Minister of Regional Economic Expansion (Mr. Marchand), the Secretary of State (Mr. Pelletier) and indeed the Prime Minister of Quebec.

An hon. Member: And Mr. Saulnier, too.

Mr. Woolliams: Yes, and Mr. Saulnier. If these people appear as witnesses, then we should be able to answer these questions. Having set the tone for my remarks, may I say that we have been asked to consider today the setting up of a joint committee composed of members of the Senate and House of Commons for the purpose, as the Minister of Justice has just said, of inquiring into and reporting upon the nature and kind of legislation required to deal with a crisis similar to that which is alleged by the Prime Minister and his government to have existed on October 16 in the province of Quebec.

• (3:50 p.m.)

The terms of reference, I say at the outset, of this committee which is to be established would seem to be

narrow. They certainly appear to be narrow from the answers given by the President of the Privy Council (Mr. MacEachen) yesterday, as recorded at page 5736 of *Hansard*. The examination of the past is important only to prepare for the future, and when I say to prepare for the future then I ask these questions: Is any permanent legislation necessary at all? If permanent legislation of this nature is necessary, what kind of legislation will it be? An amendment to the Code? A new public order act? A watered down version of the War Measures Act? We can only come to conclusions on that if we are able to find out the facts from those hon. gentlemen who have made contradictory statements from time to time in reference to the apprehended insurrection and the implementation of the War Measures Act and, indeed, the public order bill.

We need a far clearer statement from the Prime Minister or the Minister of Justice and all the other Ministers who gave reasons for the implementation of the War Measures Act than we have to this date. We want to be assured that if the Prime Minister, the Minister of Justice and all those other hon. gentlemen I have mentioned are not compellable witnesses—and there is always some difficulty in getting ministers and the Prime Minister before a committee—at least we should have some statement from some distinguished hon. gentlemen that they will at least appear before the committee and give a clear statement of facts. It should be stated, first, why the War Measures Act was implemented and, second, why the public order bill was approved to replace the War Measures Act, then was allowed to wither and die on the vine without any proper and concrete explanation.

We must have the facts and the evidence to make a decision. This government's desire to hide the true situation will produce a useless committee, forcing members to work but not produce.

Mr. Sharp: But they will have to think.

Mr. Woolliams: This committee, and I pause here for a moment, is merely set up to sweep under the carpet the facts that have not come forth from the government in reference to what took place. If action was taken merely to inflame public opinion or even help out a weak government some way, we want to know this, because we are dealing with a most important matter. We have a Minister of Justice who likes to ride around in shining armour, as a great reformer. If we need any law at all, this kind of act can only come about if the truth is produced and nothing short of having the Prime Minister and the Minister of Justice give a clearcut statement to the committee on why the cabinet implemented the War Measures Act and proposed the public order bill, will do.

At the beginning we on this side of the House had to accept the words of the distinguished ministers and the prime minister. If you look at the original script when the War Measures Act was implemented you will find they said, "you can take it from us, there is an apprehended insurrection." No shadow boxing is acceptable, otherwise this committee, like many other standing committees of the House of Commons, will be used by the government to cover up half truths and distortions in an endeavour to justify the implementation of crisis legislation. If this country is to stay together can we, in committee, come up with the kind of legislation that is applicable to one province but really is not going to be used in the other nine? I have always believed that the law should serve every Canadian wherever he walks, runs, thinks or where he sleeps, and it should not depend upon the province in which he resides.

Let us look at the reasons given by the Prime Minister, the Minister of Justice and indeed all the other ministers as well as the premier of Quebec for the implementation of the War Measures Act which set aside the civil rights of the people in this country, in particular in the province of Quebec. Even when the public order bill was before this chamber an amendment to have a board of review was denied. It was denied, Mr. Speaker, and since then we have found out that 497 arrests were made. The responsibility for this situation rests on the shoulders of the Minister of Justice, not the Prime Minister, because he just uses the Minister of Justice at times. Of the 497 arrested, 62 were charged and with one or two exceptions, because you cannot pry the information out of this government even with a crowbar, all were charged with offences contrary to the Criminal Code of Canada rather than under the crisis legislation. One is brought to the conclusion of the Prime Minister, upon reflection after the events are over, when he said, "what are you going to do—we have seditious conspiracy." Mr. Speaker, we had seditious conspiracy in the Code on October 16, 1970 when we implemented the War Measures Act.

Some hon. Members: Hear, hear!

Mr. Woolliams: That was a little fresh air, a truth that slipped out.

To digress for a moment, I should like to quote from a statement made by the Prime Minister—as usual outside the House of Commons—at Westminster, British Columbia. This statement was reported in the daily newspapers across the nation when he found out for the first time that we have a monarchy. If one looks at the motion one finds that the committee is supposed to look into the situation and come up with a recommendation as to what kind of legislation we should adopt. I can just see the Prime Minister, as quoted on the front page of the *Globe and Mail* of May 12 1971, saying:

> The federal government will resort again to the War Measures Act if violence like that of the October crisis in Quebec breaks out and parliament gets bogged down in considering special anti-terrorist laws.

Let me pause there for a moment. The Prime Minister knew when he made that statement, as the Minister of Justice knows today, that between the time Canadians went to bed on the night of October 15 and when they woke up on October 16, the rules of the game in society had been changed, yet there had been no action by Parliament. Cabinet met in secret, either that night or the day before, and implemented the War Measures Act. As a result 497 people were arrested and 62 charged,

most of them under the Criminal Code. The *Globe and Mail* article continues:

This was promised recently by Prime Minister Pierre Trudeau on two occasions. One, in a letter dated May 7 to Premier Robert Bourassa of Quebec,—

We now have that letter so I shall not refer to it because it has been tabled in this House. The newspaper article goes on:

—and secondly, in a lengthy interview the same day with a Canadian Broadcasting Corporation television crew.

Having said that, let us analyse now what reasons the Minister of Justice gave for the implementation of the War Measures Act and, finally, the public order bill. He is the highest officer in the government, except for the Prime Minister, because it is the Minister of Justice who looks after the administration of justice in Canada. The minister quoted from two letters, one from the premier of Quebec and one from the mayor of Montreal, the texts of which may be found in Commons Debates for October 16, 1970 at page 212. This letter is from the premier of Quebec and reads:

Under the circumstances, on behalf of the government of Quebec, I request that emergency powers be provided as soon as possible so that more effective steps may be taken. I request particularly that such powers encompass the authority to apprehend and keep in custody individuals who, the attorney general of Quebec has valid reasons to believe, are determined to overthrow the government through violence and illegal means. According to the information we have and which is available to you, we are facing a concerted effort to intimidate and overthrow the government—

Let me pause there for a moment. The Prime Minister, on the Webster radio show in Vancouver—it is quite a show—said one of the reasons the government brought in the War Measures Act was because there was a suggestion of an alternative government. But he did not explain, if Bourassa was so weak at that time, that the alternative might have been a government set up through a democratic process. Maybe one of the members of his own cabinet said, "This man is too weak." Perhaps one of the members of the opposition could have got a group together in the legislature and formed a new government. Mind you, this suggestion was never explained during the debate. That is why the committee must get the facts. That is why we need the Minister of Justice, and the Prime Minister and his friends before that committee as witnesses, not as expert witnesses but as factual witnesses. Then, we will find out.

• (4:00 p.m.)

I really prefer to accept the words of the Minister of Justice because he went beyond the three reasons given by the Prime Minister. The Prime Minister said, "Look, I have laid everything before Parliament. The Canadian people know the reasons." If you read what the Minister of Justice said about that you will see the contradiction and understand why the committee, if it is to come up with adequate, properly legal legislation, has to get at the bottom of this thing. I continue the quotation:

According to the information we have and which is available to you, we are facing a concerted effort to intimidate and overthrow the government—

Of course in the light of the unemployment situation today, I would think if anybody in this Chamber could overthrow this government it would be a good thing for the nation.

Mr. Sharp: By violence?

Mr. Stanfield: Almost.

Mr. Sharp: Do you support violence?

Mr. Woolliams: Certainly, I don't support violence.

Mr. Sharp: You seem to.

Mr. Woolliams: I ask the Secretary of State for External Affairs (Mr. Sharp) to read what he and other ministers said. Mr. Speaker, their truth is like a bunch of yo-yos going up and down, changing like the weather changes.

Mr. Sharp: You tell us. I am listening but I have heard nothing new.

Mr. Woolliams: I am sorry the Secretary of State for External Affairs is so touchy on this subject. But he always gets a little touchy when he is here and the Prime Minister is not, because he dreams of the leadership he once sought. However, he made the great compromise to become minister of external affairs, and handed over his troops.

An hon. Member: More than you ever had.

Mr. Woolliams: To continue with this quotation:

It is obvious that those participating in this concerted effort completely reject the principle of freedom under the rule of law.

Then, there was the letter from the Mayor of Montreal. I repeat that I am quoting from the speech of the Minister of Justice as recorded in *Hansard*:

The chief of the Montreal Police has informed us that the means available to him are proving inadequate and that the assistance of higher levels of government has become essential for the protection of society against the seditious plot and the apprehended insurrection in which the recent kidnappings were the first step.

I want to pause there. Under the Criminal Code, kidnapping is an offence, murder is an offence, and suggested conspiracy is an offence. If these people were seditious conspirators plotting kidnappings, plotting murders, blowing up mail boxes, blowing up people,—all of which had been happening,—then all you had to do was get a police force to arrest them under the terms and conditions of the Criminal Code, even in spite of the Minister of Justice's new bail amendment which was more bluff and puff than anything else.

On that day, October 16, as recorded at page 212 of *Hansard,* the Minister of Justice said:

The government of Canada has to take the final responsibility but when the Government of the Province of Quebec and the mayor of the largest city in this country, on the information available to them and the information available to us through our own law enforcement agencies, are of the opinion that the state has been reached where we ought to, as sound and common sense human beings, anticipate a danger to our society in the form of insurrection and are willing to use that type of

vocabulary to the Prime Minister of Canada, then that is material which we cannot ignore.

I want to recite a list of events that have contributed to the rapid acceleration of this dangerous situation in Quebec. They are the kidnappings, which in themselves if they were isolated would be a purely criminal affair but, within the context of a wider conspiracy and being used for ransom against a legitimately constituted government, are something else. We have the continuous threats to life and property in the communications of the FLQ of a seditious, violent and inflammatory nature. They have been issued and members are aware of them.

Now, I want to pause before I come to that part where the Minister of Justice said—this is something the Prime Minister never said—"There are other facts which I cannot disclose to Parliament." He was saying, in effect, there are other facts that the people don't know which I have within my bosom as a result of my responsibility as Minister of Justice. I cannot tell you now, but when history is written either they will be leaked out, or somebody will tell when all this trouble is passed. The Prime Minister said, "I have laid the facts, the three reasons before the House, and there are no other reasons. Parliament has been told. The people have been told." Therein lies a great contradiction and, as I said earlier, Mr. Speaker, I prefer to take the words of the Minister of Justice because there must have been something more.

An hon. Member: Someday we will know.

Mr. Woolliams: We will know someday, and I hope it will be in this committee because I want to have not only the privilege but the pleasure of asking questions of these distinguished gentlemen.

Now, I want to refer for a few moments to page 8 of the Report of the Royal Commission on Security, published in June, 1969. I do this because the government left the impression that all this was new, that on the night of October 15 all this came to light. The Minister of Justice must have read this report. The Prime Minister must have read it. What did it say? Mr. Coldwell, a very distinguished Canadian, and two other distinguished Canadians were on this commission. Some people used to refer to Mr. Coldwell as a sort of revolutionary in Saskatchewan. I am glad he created one revolution to get rid of the Gardiner machine.

I quote from paragraphs 21 and 22 of the report:

In addition to the requirement for security procedures imposed by the communist threat, Canada is at present faced with a second and perhaps even more difficult internal security problem arising from the activities of some elements of the Quebec separatist movement. Separatism in Quebec, if it commits no illegalities and appears to seek its end by legal and democratic means, must be regarded as a political movement—

With all of which I would agree, and I think any hon. member would agree.

—to be dealt with in a political rather than a security context.

Then, the Commission says:

However, if there is any evidence of an intention to engage in subversive or seditious activities, or if there is any suggestion of foreign influence—

About which I am going to have something to say in a few moments.

—it seems to us inescapable that the federal government has a clear duty to take such security measures as are necessary to protect the integrity of the federation.

[Mr. Woolliams.]

I might digress. This government won't even protect the constitutional rights of the people.

At the very least it must take adequate steps to inform itself of any such threats, and to collect full information about the intentions and capabilities of individuals or movements whose object is to destroy the federation by subversive or seditious methods.

Before I read paragraph 22, let me summarize what I have just read. There, the Commission warned the government, early in June, 1969, about the events that were taking place. There were bombings. There were murders. There were buildings being blown up. As the Commission said, if it was a separatist movement in a political sense it had to be dealt with in a political way, but if it was a separatist movement to undermine the very foundations of our nation, that was a very different thing.

What the government told us on October 16 was that there was such a movement. But it could have found that out in June, 1969. We were questioning the government, but we never got any answers about the royal commission. Now, let me read paragraph 22:

Although the more moderate elements of the Quebec separatist movement have up till now been conducting a largely political campaign—

That was the way of Levesque, who at one time was a great friend of the minister.

—it appears to us that there is in certain quarters—

And these are the important words

—a tendency to resort to activities that could well be regarded as seditious.

• (4:10 p.m.)

What did the Minister of Justice, the Prime Minister or any member of the cabinet do about that report? The answer is, nothing. I continue quoting:

What is more, there is no doubt about communist and Trotskyist interest and involvement in the movement.

It is significant that the author speaks of communists and Trotskyists. He was a revolutionary in a parliamentary sense. Actually, I am not quite sure what a Trotskyist is. I have an idea that he will try to undermine you and blow you up. I continue quoting:

Both groups have established 'autonomous' Quebec organizations as somewhat transparent attempts to exploit separatist sentiment.

May I refer to history for a moment? Kerenski was the leader of a democratic revolt, but he was finally overthrown by Lenin and the Bolsheviks. There, evil supplanted good. I continue quoting:

—members of both have achieved positions of influence in at least some of the separatist groups and agencies, helped by the often bitter factionalism within the movement itself.

Was close attention paid to these organizations? Were instructions given at that time with respect to those organizations? The fact that the government implemented the War Measures Act and picked up certain people, some of whom were charged and have been found not guilty, is significant. The facts in those cases in some ways are similar to the facts in the Vallieres case Vol. 9,

Criminal Reports, 1970, page 24, that I cited to the Court of Appeal. There was an acquittal in that particular case. I point out that 497 were arrested, 62 were charged and some have been released. The police could have picked them up on the night of the sixteenth, or even a few days after. I wish the right hon. member for Prince Albert (Mr. Diefenbaker) were here, because these matters formed the subject of one of his speeches. He has already dealt with the situation of people who were not involved in the organization of separatist groups but who had friends who were involved in those organizations. That subject I do not want to deal with at this time.

Let me say this, however. This government knew of and had been advised of the terrorism and the activities of the FLQ in Quebec since June, 1969. What did the government do about this? Nothing, Mr. Speaker. They knew that there had been bombings; they knew that there had been murders and they knew that there was violence even before the unfortunate events that overtook Mr. Laporte. Questions were asked about these matters in the House of Commons. The government knew that for some time ammunition, guns and dynamite had been stolen not only from the Armed Forces of Canada but from other sources where supplies of this nature were kept available and handy. They knew that communist activists were being trained in Cuba for Canada. We had the report of the Royal Commission on Security and we knew where these people were being trained. Yet the government preferred to ignore the recommendations of the Royal Commission on Security and the general build-up of lawlessness. The Prime Minister and the Minister of Justice said, subsequent to the implementation of the War Measures Act, that the Criminal Code of Canada contained all the necessary law needed to bring these lawbreakers to justice and to conviction. Why was no royal commission set up to examine crime and criminal separatists—I am not referring to political separatists—so that we could get the cards out on the table? We had asked for this for years.

If the objectives of the FLQ were as the government suggested, that organization would have been guilty of seditious conspiracy. I see the minister from Manitoba nodding in agreement with me. I have the best possible witness for that statement.

An hon. Member: He is a peaceful separatist.

Mr. Woolliams: Certainly, the Prime Minister suggested that. What was needed was the tough administration of law, and action; we did not need acquiescence before violence got out of hand, before Mr. Cross was kidnapped and before Mr. Laporte was kidnapped and murdered later. The calling in of members of the armed forces and the militia was not the result of the War Measures Act. That right, as hon. members know, flows from the powers under the Defence Act and regulations thereto, and this step was taken at the time the government implemented the War Measures Act. My friends in Calgary think, as I assume the people in other cities think, that the armed forces were called in because the government threw the lever, so to speak, and implemented the War Measures Act. The Prime Minister made clear what happened on the Webster show. We are on all fours in that regard.

The Minister of Justice said that the War Measures Act was implemented because the Mayor of Montreal and the Premier of Quebec had asked for it. That this conspiracy existed was well known to members of cabinet. The government's action was linked with the kidnappings and activities of the FLQ, which were described as seditious conspiracy, violent and inflammatory. The Prime Minister said that the Mayor of Montreal and Premier of Quebec asked for this action to be taken and that all the facts relating to the situation were out on the table. They knew the facts. And what did the Minister of Justice say? Sometimes government members are very busy and cannot always compare notes. Truth will slip out. After all, even cabinet ministers are subject to the laws of human behaviour.

Mr. Stanfield: Some.

Mr. Woolliams: What did the Minister of Justice say? He said, as reported at page 215 of *Hansard:*

> It is my hope that some day the full details of the intelligence upon which the government acted can be made public, because until that day comes the people of Canada will not be able fully to appraise the course of action which has been taken by the government.

What does the Minister of Justice know that he has not told Parliament? The Prime Minister has said that the government has disclosed everything, yet the Minister of Justice suggested otherwise. Perhaps the Secretary of State for External Affairs (Mr. Sharp) who is listening to me can shed some light on this matter. I hope that he takes part in the debate. Why, when the Prime Minister said that the government had disclosed everything, did the Minister of Justice say something else? Just what did the Minister of Justice mean and why was he contradicting the Prime Minister? On this point I prefer to believe the Minister of Justice. He said that the government did hide the facts, that information was withheld and that there was fear on the part of the Quebec government that they might be overthrown or replaced by an alternative government, possibly by democratic means. We do not know the answers.

Let me put these questions. What details of intelligence were withheld by the Minister of Justice and the Prime Minister? What secret information did the government have that they failed to disclose to Parliament and the people of Canada and that they ought to have disclosed? How can we enact legislation until we know these facts and until competent witnesses are willing to come forward? Third, what information did the government have that there was in Canada an organization dedicated to the terroristic overthrow of the Quebec government? What are the answers to these questions?

The Minister of Justice said that some day we shall know the facts. Perhaps he will write a book. I can already imagine him in his den—but what will he write? Will he say, "I will tell the Canadian people and the Parliament of Canada that what the Prime Minister said was nonsense." The government has said that it implemented the War Measures Act because it feared an

apprehended insurrection. In connection with that very serious matter compare the statements of the Minister of Justice and the Prime Minister. Answering the Leader of the Opposition (Mr. Stanfield) on October 23, 1970, as reported at page 511 of *Hansard,* the Prime Minister said:

Mr. Speaker, what I said was that the facts that I have recited—

He meant the facts respecting the two letters.

—and which are known to the House were sufficient for us to take the steps we did. I am not saying that beyond that there are not other facts which may or may not be known to the public. It is a matter that will be left to the police, as far as I am concerned. I say that the facts that are known to the House are the facts on which we acted, and it is on that that we stand.

How can we reconcile what those two witnesses, the Minister of Justice and the Prime Minister, have said before this distinguished and illustrious committee. How can their statements stand? One man says that there is nothing more to be known, and the other one has said or suggested that something has been concealed. I will tell you what the government has been doing. It has been sweeping the whole subject under the rug and trying to get out of political danger at the same time. They were sweeping the whole situation under the carpet and trying to keep their political favour at the same time. In answer to a question by the hon. member for York South (Mr. Lewis) on October 26, 1970, the Prime Minister (Mr. Trudeau) said, as recorded at page 547 of *Hansard:*

• (4:20 p.m.)

First, we had from the authorities of the province of Quebec and of the city of Montreal a clear statement that they apprehended insurrection. Second, there had been the abduction of two very important citizens in the province of Quebec, with an intention to murder them if the government did not give in to ransom. The third fact was circumstantial, if you wish, that approximately two tons of dynamite had been stolen in the province of Quebec this year, as well as a sizeable number of small arms and other ammunition. Also, there was a state of confusion and threats of violence in the province of Quebec. We decided to act on these facts as we interpreted them, and on this the government will stand or fall.

As recorded at page 547 of *Hansard,* the Prime Minister said the government would stand or fall on those facts. Everything was confined to one package. However, the Minister of Justice said there was something which the people would not be told. Unless that "something" is made known to the committee, we may be wasting our time. What the Prime Minister said must be compared with what was said by the Minister of Justice.

The Minister of Justice, waxing eloquent as usual, said in a confessional way "Some day we will tell the Canadian people the real truth and they will have to judge accordingly, but I will have left this office by this time". No wonder the Minister of Justice wanted to resign at one point. We need the truth now to make decisions for the future.

Some hon. Members: Hear, hear!

Mr. Woolliams: How can we move into the future without knowing what kind of a house we are going to build or what kind of a foundation we will have? The Prime Minister denied over and over again, as found on pages 591 to 654 of *Hansard,* that the War Measures Act was implemented because there was a suggestion that a group of people were prepared to set up an alternative government to that which existed in Quebec. He has now changed his tune and verse. If you can do that, you are a good musician and politician.

When pressed by the leader of the New Democratic Party, as recorded at page 654 of *Hansard,* the Prime Minister was asked:

Mr. Speaker, I wish to address this question to the right hon. Prime Minister. I appreciate that the War Measures Act is worded in such a way that the mere declaration by the government that there is an apprehended insurrection makes it so, but I want to ask the Prime Minister whether the information he has given us is all the information on which he acted or did he act on any other information which he has not disclosed to us?

The Prime Minister answered in his usual contemptible way. He said:

Mr. Speaker, I acted on the information that I have been accumulating since I was three years old.

That was the answer of the Prime Minister. Did that mean he knew something about all this? I do not know what it means. Compare the following statements with those of the Prime Minister and the Minister of Justice. The Minister of Indian Affairs and Northern Development (Mr. Chrétien), speaking in the city of Montreal on October 28 last, said, and I quote from page 685 of *Hansard:*

A lot of information we have on hand comes from informants, some of them highly placed. It would endanger their situation as well.

We have good and sufficient reasons for invoking the War Measures Act. There are other reasons as well, and we will probably never be able to make them public.

The Minister of Indian Affairs and Northern Development gave a new answer. Unlike the Minister of Justice, he is going to keep his reasons secret. The Prime Minister said that all the information was laid before the House. Is the Prime Minister asking us to believe that his Minister of Justice and Minister of Indian Affairs and Northern Development have secret information which he does not have? Of course not. What are the reasons? As recorded at page 212 of *Hansard,* the Minister of Justice said and I quote:

As I said earlier, this has to be a question of judgment based on the information available to members of the cabinet. Needless to say, some of that information, because of the current state of affairs, is not information that necessarily can be made public.

As recorded at page 215, the Minister of Justice said:

It is my hope that some day the full details of the intelligence upon which the government acted can be made public,—

What is this information? We can only get this information by calling witnesses. That is the only way. We want the Prime Minister, the Minister of Justice, the Minister of Indian Affairs and Northern Development, Mr. Saulnier and, above all, we want the Minister of Regional Economic Expansion (Mr. Marchand) because he shed new light on the subject. He said there were 3,000 known FLQ members in Quebec.

Mr. Orlikow: And that was a conservative estimate.

Mr. Woolliams: Somebody said there were 5,000. If there were 3,000 or 5,000, why were only 497 people arrested and 62 charged? Why were 3,000 persons not charged with seditious conspiracy? The minister did that to create a scare during the municipal elections. That is why he made that statement with grandeur. We want the minister to appear before the committee. If another 2,500 men are trying to overthrow this government by illegal means, the Minister of Justice should be very interested in telling us who they are. He could have had a telephone conversation with the Minister of Regional Economic Expansion. That is the question. That is why this committee is so important.

Mr. Lewis: They even see each other sometimes.

Mr. Woolliams: How can the words of the Minister of Justice be reconciled with the words of the Prime Minister? When the hon. member for Peace River (Mr. Baldwin) directed a question to the Prime Minister, the Prime Minister said, as recorded at page 689 of *Hansard:*

> I am telling the House we did not act on anything else than what is before the House. I am not saying we did not have any other information, but I am saying that if hon. members opposite want to use this information, let them take the credit for it.

I have pointed out the contradictions and distortions on this one matter. I can speak on any matter on which the government is engaged or involved and point out contradictions and distortions. This party is not interested in a committee being set up, without any teeth, to approve what the government has done. If the purpose of the committee is merely to show that the government is right, it should not be set up. This party is not interested in playing games and making political manœuvres to assist the government in soothing its wounds and, indeed, its conscience. We want a committee that can go into the facts.

This party is not interested in acquiescing to the government in abuses of the law as a result of which people were denied the very limited niceties of their civil rights as understood by our system of jurisprudence or in setting aside the freedoms of the individual guaranteed by the Bill of Rights unless, of course, the evidence before the committee indicates that some limitation must be placed upon the freedom of the individual for the good of society as a whole. We will only have the answer to that question from the Minister of Justice and all the other little ministers who were involved in this drama. Only then can we come to the principle.

This is the reason the Minister of Justice spoke so briefly today. He wanted to be brief. The minister is a tremendous politician. He thought that if his speech were very short, the media would think there was not much involved in this little matter. Well, Mr. Speaker, there is a lot to it. We had another minister like that. The Minister of Justice said that the War Measures Act and the public order bill were produced to lessen the onus of proof on the Crown against the alleged accused. Instead of lessening the onus of proof on the Crown they put the onus of proof on the accused. The Quebec court of appeal agreed with me, with other members of this party and members of the New Democratic Party, that clause 8 had a retroactive effect. The Minister of Justice said that he consulted his legal officers. When they speak to the minister, they tell him that is the law. Sometimes the courts do not agree with Ministers of Justice or Attorneys General. I have had that experience.

Mr. Turner (Ottawa-Carleton): That is not what the Quebec court of appeal said.

Mr. Woolliams: Read the case.

Mr. Turner (Ottawa-Carleton): Read the judgment.

Mr. Woolliams: I read the judgment. The courts declared that the legislation was retroactive, although the interpretation by the Minister of Justice in this chamber was the opposite. I can see the great drama playing before my eyes. I can see a committee with Liberal members of Parliament and men from the other place being in the majority, controlling the opinion of the committee and making a majority report, all flavoured as the result of political considerations and associations.

In view of that fact, I wish to move an amendment. Before doing so, I wish to state that I have taken cognizance of the rule. I trust that if Your Honour has any questions as to the legality of this amendment, we will have an opportunity to speak. I would direct Your Honour's attention to Standing Order 47. I have discussed this matter with my hon. friend from Peace River who has a great knowledge of the rules. The Standing Order reads:

• (4:30 p.m.)

> A motion to refer a bill, resolution or any question to a committee of the whole or any standing or special committee, shall preclude all amendment of the main question.

The main question here concerns the setting up of a committee. We are not opposing the setting up of a committee. But we do not want it to be a drama coloured by political associations. I have therefore prepared an amendment, in French and English, and perhaps I might read it.

An hon. Member: In French.

Mr. Woolliams: I have been invited to read it in French but we Calgarians have a little difficulty there. The amendment reads as follows:

> That the motion be amended by adding at the end of the first paragraph thereof the following:
>
> "and, for better assuring the purposes of such report with respect to emergencies that endanger the existence of government, inquire into and first report upon all the circumstances anticipatory of and giving rise or purported to have given rise to the proclamation of the War Measures Act on October 16, 1970, as well all the circumstances thereafter following and thereto related which may have or presently or in future may endanger the existence of any government, whether federal, provincial or municipal."

If there is any question as to the admissibility of the amendment on procedural grounds, I should like to have the privilege of addressing Your Honour after you have examined it.

Mr. Deputy Speaker: The hon. member for Calgary North (Mr. Woolliams) has indicated he would like an opportunity to present arguments directed to the procedural aspects of his amendment should the Chair have any difficulty in deciding whether or not it is procedurally acceptable.

I must say to the hon. member and to other hon. members that I do have such a difficulty, and I would invite the hon. member for Calgary North and other hon. members to assist the Chair. I might say that the kernel of the problem is whether the proposed amendment goes beyond the scope of the motion, in other words, whether it raises what might be called a new and substantive question. If this is the case, then, of course, notice would be required under the Standing Orders. The hon. member asserts that this is merely an elaboration or extension of the main motion, and I think this is the question to which hon. members should direct their thoughts when assisting the Chair. I might say there is already parliamentary jurisprudence on this point to be taken into account. Speakers in former Parliaments and, indeed, in this Parliament, have indicated they would look very closely at an amendment such as this which proposes to amend a motion setting up a standing or special or select committee. Thus, it seems to me, argument should be directed to the Chair bearing in mind the parliamentary jurisprudence I am required to keep in my mind when making a decision.

Mr. Woolliams: Thank you very much, Mr. Speaker. I appreciate that, as you have said, there is jurisprudence to the effect that the substance of such a motion as is before us may not be changed. I will read the relevant Standing Order again:

> A motion to refer a bill, resolution or any question to a committee ... shall preclude all amendment of the main question.

I invite Your Honour to direct attention to the words "the main question". You were not here when the Minister of Justice began his speech. He said he was dealing with this issue in the light of events which took place last October. As I understand it, the motion asks that a committee be set up of Members of Parliament and members of the Senate to determine whether we need emergency legislation for the future. That is the substance of the motion. A crisis might arise similar to the one encountered last fall. The only crisis we have experienced since confederation in which the War Measures Act has been used in peacetime was the situation we encountered on October 16. In order to determine whether we need new legislation at all, and, if so, what kind of legislation is needed, whether an amendment to the Criminal Code or a new public order measure with more teeth in it than is presently the case, we must have evidence, and the only evidence we find on the tracing board is the evidence of the crisis in October. We agree with the motion entirely.

I think I should wait for a moment, because I wish to argue this case before the Speaker.

Mr. Deputy Speaker: Order. The Chair is listening to the hon. member.

[Mr. Woolliams.]

Mr. Woolliams: The meat of this motion is the proposal to set up a committee to ascertain whether any legislation is necessary to deal with a possible crisis in the future similar to the one encountered last fall. How could such a conclusion be reached in the absence of the proper evidence? My amendment simply enlarges the motion in a declamatory way to improve the procedure when we get to the committee. We want this committee to have the right to call witnesses and to examine the records of that crisis in October, not because we want to examine the crisis itself, but in order to determine whether or not we need a new law.

The Prime Minister says the Criminal Code covers the situation. I believe the committee is entitled to know whether the Code covered the situation on October 19. Is there need for additional legislation? I am anxious to see a committee which will produce the best results. If the Minister of Justice would rise and assure us that the direction contained in his motion covers what is asked for in the amendment, there would be no need for my amendment to go forward. But think of the narrow approach the other minister took toward this issue yesterday. I repeat, this is not an amendment designed to change the motion in substance; it is merely intended to give direction to the committee and help it to function more precisely.

Mr. Baldwin: I wish to support what my hon. friend from Calgary North has said. In dealing with this question Your Honour must, of course, be guided by precedent and by our Standing Orders, including Standing Order 47, which, as my hon. and learned friend from Calgary North has said, deals with the main question at issue. You must also take into consideration, Mr. Speaker, what was said by the President of the Privy Council in whose name this motion stands. You cannot, as I assume the committee would not—and certainly it is not likely that the co-chairmen of the special committee would—ignore the comments made by the President of the Privy Council who, speaking in response to a question by the hon. member for Calgary North, indicated beyond any doubt that in his view the committee was limited to looking to the future.

• (4:40 p.m.)

How in the name of heaven can a joint committee examine what it proposes to do in the future regarding emergencies of this kind unless it examines the precedents of the past? I do disagree with my hon. friend in one respect. He said that this crisis of October was probably the only crisis we have had for some years. I would add to that the crisis we had in June 1968 when this government was elected.

On this particular issue, surely the committee not only has the right but the duty cast upon it to examine the conditions under which this country, certainly last October and possibly at other times, was precipitated into a crisis by a certain combination of circumstances that might have led to the necessity for imposing some type of emergency measures over and above certain provisions in the Criminal Code. Certainly, the committee as our agent,

and to whom we delegate authority, must inquire into this issue. Probably it would also be wise to authorize the committee to look abroad and examine legislation in other jurisdictions to determine what are the criteria that permit other jurisdictions to enact regulations under emergency legislation.

We are faced with the fact that in October the government made a declaration that there was a crisis, an apprehended insurrection, and that therefore they were invoking the War Measures Act. What were the facts that existed then? What did the Prime Minister know? What did the Minister of Justice know? What were they advised? If the committee as our agent is to be inhibited and prevented from examining those facts, then this whole thing is a complete travesty, a farce. The hon. member for Calgary North is not seeking to bring up a matter that is foreign to the main issue; he is seeking clarification. By his amendment he is seeking to have the House declare that this motion means that, in addition to looking ahead, the committee can look back. I suggest that that is the basis of his motion.

The hon. member could just as easily have moved this type of amendment, namely to add the words "that such inquiry shall include the right to examine emergencies which have arisen in the past and the steps taken to deal with them". But rather than move that amendment, which I submit would fall squarely within the ambit of the present motion, he has narrowed it to asking the House to direct the committee to look in particular at the situation that existed in October. Without that direction being given to the committee, I suggest that the committee will be sterile and its deliberations will be futile. The hon. member is not striving to have the committee go off in a new direction; he is keeping it within the direction laid down by the motion, namely to examine, inquire into and report upon the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future. But the hon. member says that in order that the committee may do that competently it should look at the situation that existed last October.

It may well be that the government intends that to be done; but I have the feeling, one that I think I am entitled to, that this government is not anxious to do that. I have a feeling this government has deliberately couched the motion in terms to inhibit and prevent any kind of examination of the situation or what took place last October. If that is the case, let the government stand up and say so. If it is not the case, with the greatest respect, I suggest that this amendment of the hon. member for Calgary North falls squarely within what is allowed and permissible under our rules.

Mr. Lewis: Mr. Speaker, I rise to support the opinions expressed by the hon. members for Calgary North (Mr. Woolliams) and Peace River (Mr. Baldwin). May I first do so in very simple language, if I can. As a lawyer I have always believed that unless the application of a rule makes common sense, either the application or the rule is not very sensible.

The problem as you have stated it, Mr. Speaker, is whether or not the amendment is a substantive one which would require notice. I ask you first, Mr. Speaker, with great respect, to look at the amendment. I ask you to assume that the motion is not on the order paper, to assume that the hon. member for Calgary North moved nothing else but his amendment. Is it a substantive motion? Does it make sense? Would it make sense if there were no motion on paper and all you had before you was the amendment moved by the hon. member for Calgary North? Would a motion which said that certain things must be done to better assure the purposes of such report with respect to so and so make sense? Would it be a substantive motion?

Therefore, Mr. Speaker, in the first place I would suggest to you as a matter of simple logic that before Your Honour can hold this to be a substantive motion it has to stand on its own feet. It cannot be a substantive motion unless it does. If it cannot stand on its own feet, it is not a substantive motion. Then, it is attached to the motion that is now before the House and amends it.

The second point I wish to make also seems to me to be common sense. What this amendment does—and it clearly sets out its purpose—is to say that this inquiry that is ordered by the motion before the House can be improved if the inquiry extends to certain events that have taken place. That is all the amendment says. It does not interfere with the inquiry. It does not interfere with the purpose of the inquiry. It does not interfere with the substance of the motion which is now before the House. It interferes with nothing that is basic and central to the motion before Your Honour. It is purely a procedural motion and in no way substantive. It merely says that, in addition to looking at the kind of legislation that we need to deal with emergencies in the future, the committee should be empowered to look at events in the past that will guide the committee in arriving at proper legislation to deal with emergencies in the future. That is all the amendment means and it is clearly procedural. Clearly, it is not an amendment that interferes at all with the substance of the motion. I respectfully submit that I cannot see any way—perhaps Your Honour will teach me later on—in which Your Honour can hold this to be a substantive motion.

May I make a third point? The rules of any society, of any organization, are to serve a constructive purpose. The rules are there in order to prevent the society or organization from failing to deal with matters before it in a proper and constructive way and to arrive at a conclusion.

Mr. Baldwin: To be construed liberally.

Mr. Lewis: And they are always to be construed liberally. If this amendment is not allowed, since I assume that the chairmen of the committee and the majority on the committee will be government members from this House and the Senate—and I shall have something to say about this when I speak to the main motion—if they say that no witnesses can be called in regard to anything that has happened in the past, never mind October 1970 but that the committee cannot discuss what happened at the Riel rebellion, or what happened in Regina during the unemployed marches of the 1930's, or the situation surround-

ing the Winnipeg strike in 1919, or what happened at Kent State University in the U.S., or anything that happened in the past to guide the committee in arriving at the kind of legislation that may be necessary, then the committee will not be able to do its work. That committee's work will be destroyed before it starts and you will have a Donnybrook at every single committee meeting. The members who want to know the circumstances under which legislation such as suggested in the motion is relevant and should be on the statute books will be illiterate if they do not insist in looking at past events in this country and in other countries in the world.

• (4:50 p.m.)

Let me point out two things the Minister of Justice (Mr. Turner) said this afternoon. He said the motion derived from the events of last fall. If it derived from the events of last fall, then obviously the events of last fall are relevant to a consideration of the motion.

Mr. Douglas: They are indispensable.

Mr. Lewis: They are indispensable, as the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) suggests. The Minister of Justice said more than that. He tried to place the motion of the President of the Privy Council (Mr. MacEachen) in an historic and philosophic context. I am not quoting him, but the essence of what he said is that we live in an era of violence and confrontation where people are ready to use violence to upset public order. If that is so, and the minister is right, how in heaven's name is the committee to be able to find out what that era really consists of, or is it merely to accept the minister's word?

The minister is not one of the members of the government who acts in this House with any arrogance. He will not expect the members of the committee to say, "John Turner said that we live in an era of violence, therefore that is so". He will expect the members of the committee to want to find out what he is talking about and what constitutes this era of violence. I say that because he related the motion to the events of last fall and because of the historic and philosophic context in which he wants to put this debate. Somewhere in the logic and common sense of this motion we are required to put this authority in the hands of the committee, otherwise the committee cannot do its work intelligently.

For the reasons I have stated, without repeating them, I plead with you to permit this amendment. I believe it is in order because it does not interfere with the substance of the motion, it does not limit that substance or extend it, and it does not touch upon it at all. It merely adds an area in an effort to assist the committee to arrive at the substance of the motion. Surely, that is logical and in order.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, after hearing the mover of the amendment and the N.D.P. leader (Mr. Lewis), I do not intend to speak long.

First, we feel that the main motion is ridiculous and should not have been introduced by the government, since it shows a lack of responsibility. If the government plans to appoint a committee to discuss emergency measures or the opportunity of studying legislation to be passed, we consider the motion ridiculous.

I simply intended to say a few words on the main motion. This motion is evidence of the government's intention not to assume its responsibilities. It had the opportunity to do so at a given time but it failed to do so when the time came.

It seems to me that the amendment introduced by the hon. member if it were adopted would in these circumstances hinder our progress for if we have to investigate the whole of Canada's history, not just last October's events but all the revolutions or pseudo-revolutions which may have occurred in Canada, we shall never see the end of it. If we are to investigate past administrations, there are two parties here in this House that will be the first to object.

If the committee is going to investigate Canada's past in order to better orient its future with regard to emergency measures, it might sit for a rather long period before it arrives at practical conclusions. The committee then will merely fizzle out.

However, since we consider that the committees of the House are of vital importance and that this motion should never have been introduced in the House by the government, we stand firm against it as well as against the amendment. Besides, we will each in our own time have a chance to state our point of view.

[*English*]

Mr. Baldwin: Mr. Speaker, I rise on a point of order. I see that the clock is approaching the witching hour of five. In order that the Chair might have the opportunity to consider the careful arguments which have been made, and in view of the fact that one or two other members, including the hon. member for Egmont (Mr. MacDonald)—the Minister of Justice must be anxious to put his position regarding this amendment on record—want to speak, we might slightly invade the private members' hour so that all arguments can be put. The Chair would then have an opportunity between now and eight o'clock to consider these arguments. I therefore urge that the House consent to hearing all the arguments on the point of order at this time and then, if necessary, have a decision rendered when the House resumes at eight.

Mr. Deputy Speaker: Hon. members have heard the suggestion of the hon. member for Peace River (Mr. Baldwin). Is it agreed we continue beyond five o'clock to hear the procedural arguments?

Mr. Jerome: Mr. Speaker, if the opposition House leader is speaking about one short procedural argument there is no problem. If there is a series of arguments to be made, there is a private member's bill which might be proceeded with, unless the hon. member for Winnipeg North (Mr. Orlikow) is prepared to waive the usual procedure.

Mr. McGrath: What is the motion?

Mr. Jerome: The motion for the production of papers.

Mr. Deputy Speaker: Order, please. The Chair must determine whether there is unanimous consent in respect of the suggestion made by the hon. member for Peace River. If there is no consent the Chair will notice the clock.

Mr. Orlikow: On that point, Mr. Speaker, in view of the importance of the debate taking place, I have no objection to having my motion set over for another week.

Mr. Deputy Speaker: Apparently there is not unanimous consent.

Mr. Lewis: Let us take another ten minutes.

Mr. Boulanger: How do we know how long it will take?

Mr. Jerome: If only one speech is involved we are prepared to accept the suggestion in order to get it on the record. That being the case we are satisfied.

Mr. Lewis: Perhaps the hon. member for Peace River would agree to a time limit.

Mr. Baldwin: Yes.

Mr. Lewis: Perhaps we could take just another 15 minutes, and then go on to private members' hour whether or not the argument is completed.

Mr. Jerome: An extension of 15 minutes would be satisfactory.

Mr. Boulanger: I do not want to disagree with the parliamentary secretary, but I think five minutes should be sufficient. If we do not limit it, then under the rules we cannot stop anyone from getting up and speaking. I think five minutes should be the limit, if we extend the time at all.

Mr. Deputy Speaker: It appears to the Chair that there is no consent.

Mr. Jerome: Perhaps a compromise on a ten-minute extension.

Mr. Boulanger: All right, ten minutes.

• (5:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Calgary North (Mr. Woolliams)—Air Transport—Hijacking—Parliamentary ratification of Hague Convention—Amendments to Criminal Code; the hon. member for Marquette (Mr. Stewart)—National Parks—Riding Mountain—Closure of church camps.

MOTION TO ADJOURN UNDER S.O. 26

UNEMPLOYMENT INSURANCE

EMERGENCY AID TO PERSONS NO LONGER ABLE TO DRAW BENEFITS

Mr. Speaker: Order. Before we proceed to private member's business perhaps I might be given an opportunity to refer to the motion proposed by the hon. member for Oshawa-Whitby (Mr. Broadbent) this afternoon. I indicated to him that I would take the matter under advisement, and I said to him and to the House that I would be guided to some extent at least by what might transpire during the proceedings in the afternoon. I am not sure whether or not that was a very good guide by which to reach any decision, but I suggest to hon. members the Chair has been helped in this decision in this regard. The hon. member's motion was different from the two which had been proposed by the hon. member for Prince Edward-Hastings (Mr. Hees) and by the hon. member for York South (Mr. Lewis) in that it referred specifically to a certain aspect of the unemployment situation, seasonal benefits.

Actually, it is a two-headed motion, part of which deals with the unemployment situation in general. I believe in respect of this aspect of the motion what I said in making a ruling after hearing the hon. member for York South and the hon. member for Prince Edward-Hastings would apply. I wondered whether a good case might be made for an emergency debate on the other aspect of this motion under Standing Order 26. I have come to the conclusion that perhaps the circumstances might be somewhat different in view of the developments later in the afternoon during the question period, namely, that in answer to two or three questions asked by the hon. member for Oshawa-Whitby the minister indicated that he would look into the situation and make the statement on Tuesday. I assume this would be a statement on motions. It was also announced that there would be two supply days next week, on Tuesday and Friday. When we look at the opportunity for debate, I would think it would be very difficult for the Chair to suggest that there would not be an opportunity for the consideration or debate of such an important matter as the one raised by the hon. member for Oshawa-Whitby, and indeed the matter raised by the other two hon. members.

In the circumstances, I think it might be wise to allow the matter to stand in so far as Standing Order 26 is concerned and to make a ruling that the motion cannot be put at this time.

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

PRIVATE BILLS

CENTRAL DEL RIO OILS LIMITED

The House resumed, from Thursday, April 29, consideration of the motion of Mr. Harries that Bill S-12, respecting Central-Del Rio Oils Limited, be read the second time and referred to the Standing Committee on Transport and Communications.

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

An hon. Member: On division.

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

Mr. Speaker: I understand that the last item under private bills is a bill standing in the name of the hon. member for Notre-Dame-de-Grâce, Bill S-19, respecting the Royal Victoria Hospital. I gather there are procedural difficulties in relation to the petition. In any event, it has been suggested that the bill might be allowed to stand for the moment. Is this agreed?

Some hon. Members: Agreed.

PRIVATE MEMBERS' MOTIONS FOR PAPERS

POST OFFICE

REQUEST FOR COPIES OF CORRESPONDENCE FROM ORGANIZATIONS SUGGESTING CURTAILMENT OF PUBLICATIONS AS A RESULT OF INCREASED RATES

Mr. David Orlikow (Winnipeg North) moved:

That an Order of the House do issue for a copy of all letters received by the Postmaster General from churches, professional organizations, trade unions, co-operatives, credit unions and private organizations, indicating that as a result of the increase in postal rates they intend to discontinue or curtail their publications.

He said: Mr. Speaker, shortly after the 1968 election the then Postmaster General, the present hon. member for Duvernay (Mr. Kierans), came to the conclusion, and obviously persuaded his Cabinet colleagues, that the postal service of this country should be put on a paying basis and that postal delivery should not be subsidized or at least not subsidized as much as previously. Therefore, there were very sharp increases in the cost of mail deliveries. There were increases in the cost of first class letters, in the cost of second class mail and a very sharp increase, running anywhere from 100 per cent to 1,000 per cent, in respect of the rates charged on publications issued by various organizations.

The organizations affected covered a wide range. There were trade unions, co-operatives, credit unions and educational and scientific organizations which issue publications of great importance to their members and to the general public in the sense that they disseminate as widely as possible the most important basic scientific information in their fields. The increases implemented by the Postmaster General, and by the government, in a desire to wipe out the deficit created by the delivery of various types of mail has had a very adverse affect on a large number of organizations and their publications. I maintain that without newspapers, magazines, weeklies, monthlies and scientific and educational journals, one cannot really expect a country, certainly not a country as diverse and large in area as Canada, to survive as a country. This country is under permanent assault. I do not say this in a critical manner but as a statement of fact.

• (5:10 p.m.)

The survival of this country, as a country, is under permanent assault by the United States of America, not because they deliberately want to harm this country or wipe it out but simply because the richest country in the world lies next to Canada and has a population ten times as large. There is a tremendous flow of printed material from that country to this, as there is a tremendous flow of material from radio and television. Canadian publications of all types are finding it increasingly difficult to survive.

When I set this motion down I was not concerned about commercial publications or profit making publications like *Chatelaine, Macleans, Saturday Night* and a host of others; I was concerned about publications issued by organizations almost exclusively for their own members. Sometimes these publications are necessary for the survival of the organizations, but a large number of them have gone under.

I should like to point out to the minister in charge of the Post Office that the newspaper issued by the Confederation of National Trade Unions, probably the best of its type in Canada, ceased publication almost immediately after postal rates were increased by the former postmaster general. Other publications too numerous to list here have ceased; many which were weekly switched to monthly or quarterly publications and those which were monthly decided to publish quarterly or twice a year. I could give endless examples, because they are all in my file, of postage increases ranging from 100 per cent to 1,000 per cent which made it impossible for organizations to continue publication.

The former postmaster general had an easy and stock answer to the complaints made by hundreds of these organizations. He said that they should not expect the taxpayers of Canada to subsidize them and that it should not be difficult for them to increase their dues structure to cover payment for the publication. I say to the minister in charge of the Post Office that if he does not know what happened to the publication of the CNTU he should inquire from his colleague the Minister of Regional Economic Expansion (Mr. Marchand) who was president for some years. I am sure the minister will substantiate my statement that this vital and aggressive organization decided that it should not raise its membership dues so the only alternative, because of the increased postal rates, was to discontinue publication.

I say to the minister in charge of the Post Office, who comes from a working class family and has some knowledge of what a trade union means to the ordinary worker, that the decision to suspend the publication of the CNTU could only weaken the lines of communication between the elected officials of that organization and its 200,000 to 250,000 members. The difficulties faced by the CNTU in settling strikes may in some degree have been aggravated by its inability to communicate with the membership. Almost every day we have an illustration of these difficulties. We see the former employees of Lapalme, who were members of the CNTU, demonstrating on Parliament Hill. I shall not go into the rights or wrongs of that strike, but I shall simply say that I believe that kind of thing was helped by the effect on the CNTU publication of the decision of the government to increase the postal rates.

I have made a very reasonable request, Mr. Speaker. I have simply asked the minister and the government to table the letters and telegrams received from organizations of the types I have listed, informing the minister that as a result of the increase in the cost of mailing they would have to give serious consideration to suspension or curtailment of publication. Surely, this is not an unreasonable request to make from a government led by a Prime Minister (Mr. Trudeau) who speaks so frequently and eloquently of participatory democracy. Participatory democracy must mean more than the Prime Minister or his ministers lecturing the people of Canada. Surely, it means that the people of Canada have the right to express their views and to feel that those views are known and shared by others. I can see no reason, Mr. Speaker, why the former minister or the present minister should object to my motion which would require the government to table letters about this matter which were received by the minister from organizations of the type I have listed.

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, the motion introduced by the hon. member for Winnipeg North (Mr. Orlikow) reads:

> That an order of the House do issue for a copy of all letters received by the Postmaster General from churches, professional organizations, trade unions, co-operatives, credit unions and private organizations, indicating that as a result of the increase in postal rates they intend to discontinue or curtail their publications.

The hon. member for Winnipeg North introduced an identical motion, No. 85, on March 4, 1969, during the first session of the twenty eighth parliament. When the motion was called in the House on March 26, 1969, the following reply was given:

> This notice of motion asks for a copy of all letters received by the Postmaster General—

I need not repeat the exact wording of the motion. I continue reading the reply:

• (5:20 p.m.)

> If this motion were adopted it would be necessary to make a review of hundreds of files because letters were not segregated on the basis of whether or not they suggested an increase in postal rates would result in either the discontinuance or curtailment of the publication. Such a review would be costly. In view of this fact, perhaps the hon. gentleman would be willing to withdraw his motion.

The hon. member for Winnipeg North refused to withdraw the motion and it was transferred for debate according to Standing Order 48(1). The matter was never debated, and therefore with the end of the first session it was dropped.

In the second session, the hon. member for Winnipeg North introduced a similar motion and the following answer was given when that motion was called on December 10, 1969:

> The motion is not acceptable as the information requested would necessitate a review of over 5,000 files. It is estimated that several hundred man hours would be expended in drawing files and searching for desired correspondence without taking into consideration time expended in copying such correspondence. The expense of such a project is not considered warranted.

Again, the hon. member for Winnipeg North did not wish to withdraw the motion, and again it was transferred for debate. It was never debated, and therefore with the end of the second session it was dropped.

The hon. member came back with this motion on November 4, 1970, on which occasion I replied in the House as follows:

> I think this is the third time this motion has been presented and the reply to it will be the same as on the last occasion, namely, that the motion is not acceptable as the information requested would necessitate a review of over 5,000 files. It is estimated that several hundred man hours would be expended in drawing files and searching for the desired correspondence without taking into consideration the time expended in copying such correspondence.

The hon. member again refused to drop the motion, which was transferred for debate, and now we are debating it. Basically the situation has not changed. It would be very costly to produce the required papers. The time involved is estimated as 544 man hours, more than a quarter of a man year, at an estimated cost of $2,025. In addition to the answers previously given, Mr. Speaker, we have great reservations about how meaningful the results would be to the hon. member if we spent the time and money to locate the requested information.

I would like to inform the House on how this question of the birth and death of publications was dealt with in a couple of studies. The first is the Royal Commission on Publications which reported in 1961, and I quote:

> Births and deaths of magazines are a general indication of the profit—or lack of it—in the magazine-publishing field.

The Mass Media Report, or Davey Report of 1970 reads:

> It has been suggested that a number of publications in Canada expired because of the postal increases. Although this may be true, it is just as likely that this incremental cost was simply the straw that broke the camel's back; they might have died in any case for any number of marketing or product reasons.

Now, I wish to give a few figures that will show the number of new publications that were registered as second class mail, and those that ceased to be published from 1967 to January, 1971, according to our own records. However, we have no record of association papers which may have ceased publication after April 1, 1969. Since that date these publications have not had to

register as second class mail, because they do not have any special rate.

Before the rate adjustments in 1967-68 we had no record of the total number of publications that were authorized, but the total number of publications that ceased publication was 358. In 1968-69, still before the rate adjustment, the total number of new publications authorized was 614, and the total number of periodicals that ceased publication was 287.

After the rate adjustments, in 1969-70 the total number of new publications authorized was 92, and the total number of periodicals that ceased publication was 41. From 1970 through to January, 1971, the total number of new publications authorized was 128, and the total number of periodicals that ceased publication was 91. Judging from these figures we can reasonably say that it would be totally unfair to conclude, every time a paper ceases publication, that this must be attributed mainly to the April, 1969, adjustments in second class mail rates.

We also made some inquiries of our own and talked to publishers to discover their attitude. As a result, we can report that there was no conclusive evidence that the recent rate increase caused the death of many publications. The principal response appears to have been a reduction in the frequency of issue, and the end of a widespread distribution of complementary copies. For these reasons we do not feel that an estimated cost of $2,000 to produce the information requested is justifiable. Moreover, the results would not be conclusive.

There is no way to find out if these publications really ceased to be published other than to make further research. Even then, we would have to study their financial statements to see if the postal increase was the real reason for their death.

[*Translation*]

I merely want to say that even if we do all this searching through our files to locate letters informing us that if we increase postal rates or move periodicals from second to third class some of them will discontinue publication, we have no way of establishing whether those periodicals have really disappeared or whether they are still being published. That would require investigation carried out outside the department since the periodicals no longer have to be registered, as they are no longer second-class material.

Therefore, whether the investigations are carried out or not I do not think hon. members would gain anything thereby and I can hardly request incurring expenses of $2,000 in order perhaps to find letters stating that if we increased postal rates some periodicals would cease to exist, when it is not known whether they have or have not discontinued publication.

We sympathize with the hon. member for Winnipeg North. The discontinuation of certain publications which, in most cases, provide a service to a certain category of Canadians, is unfortunate and we don't like to see them disappear. But between this and saying that they have disappeared only because of an increase in rates, there is a wide margin.

[Mr. Côté (Longueuil).]

I must suggest that whenever there is an increase in postal rates, whether for first, second or third class mail, there are always people who are affected by such a measure. Indeed some people will pay more if we want to get more revenues. If there is an increase in rates for first class mail, it will be said that certain agencies which provide essential services to citizens will suffer from it, because these organizations will make the average citizen bear the burden of this new expenditure, thus adding to his cost of living.

If we increase second class rates, some will say that it is detrimental to publications. If we increase third class rates, some will say that it is detrimental to some other publications. Some suggest that we should increase third class rates because this class includes a great deal of unsollicited mail. But at the same time, third class mail also includes publications and Christmas cards.

For instance, this afternoon I received a delegation requesting that third class rates not be increased, on the grounds that its organization would be enormously affected by such an increase. So would also be such organizations as the War Amputees Association, groups who sell Easter or Christmas seals and who are concerned with the health of many citizens.

Of course, each time there is an increase in postal rates, some people are affected. But the fact remains that a department such as the Post Office cannot afford to accumulate deficits of hundreds of millions of dollars a year. If we tolerated this situation, many people would say that we are really subsidizing the big customers of the Post Office who are often the companies and that instead of making users pay, we are collecting more taxes.

Whatever our course of action, we will always be criticized but we must act. If we do not do so and if we let yearly deficits of more than $140 million accumulate, we will obviously have to find the money somewhere and it is the taxpayer who will bear the brunt of it one way or another.

During this fiscal year, we must try to be as fair as possible. I think that today's motion might have been of some avail before the 1969 increase. Had all these letters been available, it might have been possible to have a better discussion about the problem when the increase was enacted in 1969. The motion might have been more useful at that time, but as it is before this House for the third time I think that it is useless and it would certainly not serve anybody's interest if we were going to spend unnecessarily $2,000 or so.

• (5:30 p.m.)

[*English*]

Mr. Maurice Foster (Algoma): Mr. Speaker, the motion before the House this afternoon in the name of the hon. member for Winnipeg North (Mr. Orlikow) calls on the House to issue a copy of all letters received by the Postmaster General from churches, professional organizations, trade unions, co-operatives, credit unions and private organizations, indicating that as a result of the increase in postal rates they intend to discontinue or curtail their publications.

I was interested to learn from the Postmaster General (Mr. Côté) that this subject has been raised three times. I am somewhat surprised at this. I am sure that when the original debate on this subject took place in the House most hon. members were bombarded by communications from all these organizations about the possible effects of the new legislation. I would be surprised if any such organization or non-profit group which found it was being forced out of business had not communicated with the Postmaster General or another cabinet minister and sent a copy of that correspondence to certain Members of Parliament. I am sure that such organizations would send copies of their correspondence to the hon. member for Winnipeg North Centre (Mr. Knowles) who occupies a strategic position which in matters of this kind enables him to put embarrassing questions to the government during the question period.

I believe the Postmaster General has fully explained the reason why these documents were not revealed to the hon. member. Principally, it is a question of cost and common sense. Surely all hon. members of the House have received a list of the names of most of the organizations which were severely affected by that legislation. This matter boils down to a question of cost. The minister indicated that it would be necessary to search 5,000 files, which would take about 540 hours and cost over $2,000. Surely this is reason enough for not producing the documents.

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, having listened very carefully to the hon. minister and heard the motion of the hon. member for Winnipeg North (Mr. Orlikow), we are now sufficiently informed about the question and we might proceeed to the vote.

[*English*]

The Acting Speaker (Mr. Richard): Is the House ready for the question? All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Richard): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Richard): In my opinion the nays have it.

Mr. Orlikow: On division, Mr. Speaker.

The Acting Speaker (Mr. Richard): I declare the motion negatived.

Motion negatived.

An hon. Member: Six o'clock.

The Acting Speaker (Mr. Richard): Do hon. members agree to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): In view of the very light attendance in the House, and because I have not had much time to prepare a few remarks, I shall not abuse my powers of poetic licence at this time.

At 5.40 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

NATIONAL SECURITY

APPOINTMENT OF SPECIAL JOINT COMMITTEE ON LEGISLATION TO DEAL WITH EMERGENCIES CAUSED BY LAWLESSNESS OR VIOLENCE

The House resumed consideration of the motion of Mr. Turner, Ottawa-Carleton (for the President of the Privy Council):

That a Special Joint Committee of the Senate and House of Commons be appointed to examine, inquire into and report upon the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future by reason of lawlessness or violence in Canadian society and that endanger the existence of government or the maintenance of the peace and public order;

That twelve members of the House of Commons, to be designated by the House at a later date, be members of the joint committee on the part of this House;

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

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

And that a message be sent to the Senate to acquaint Their Honours thereof.

Mr. MacDonald (Egmont): Mr. Speaker, I rise to make a few comments with regard to the acceptance of the amendment moved by the hon. member for Calgary North (Mr. Woolliams). I would willingly give up the opportunity to speak at this time if the Minister of Justice (Mr. Turner) would give a binding agreement to this House that the concerns expressed in the amendment will be covered. We could save a great deal of time if the Minister of Justice would give that assurance. Without that assurance it would be more appropriate to discuss the legitimacy of the motion rather than the legitimacy of the amendment.

I understand that it is one of the unwritten parliamentary rules that we do not engage in hypothetical discussion in this House or in committee, yet in the motion before us we have such a hypothetical situation. The main question that should have been considered prior to debating the acceptance of this amendment is whether the motion is in order.

• (8:10 p.m.)

We are being asked to consider emergencies which might arise from time to time in the future, but the motion does not suggest the form these emergencies

might take except for a reference to lawlessness and violence in society which might endanger the existence of government. What government? Federal government? Provincial Government? Municipal government? And what jurisdiction does this Parliament exercise over governments other than ours, except in certain circumstances—for example, those reflected in the Criminal Code? It seems to me one of the reasons my hon. friend put forward his amendment was to give the motion the substance which is necessary if the committee is not to find itself up on cloud nine.

I think the amendment amounts to a very appropriate extension of the motion. I find it almost impossible to conveive that this House would instruct a committee to talk about something which might happen in the future without defining the time or the situation in specific terms. After all, there is no limit on the future; the future has a quality of infinity about it. Unless the motion is amended in some way so as to define more specifically the task of the committee, it will become engaged in an unrealistic and hypothetical discussion. As it is, the terms of reference are so vague that any report the committee might make based on those terms would be totally unsatisfactory.

If the amendment is found unacceptable, I submit that some other form of motion will have to be introduced in order that the committee may be given concrete terms of reference, in the absence of which the motion before us and the discussion arising from it are indeed a sham.

Mr. Deputy Speaker: When the hon. member for Calgary North (Mr. Woolliams) proposed his amendment this afternoon the Chair sought the assistance of hon. members on the procedural aspects of the question. I wish to thank those who assisted the Chair in that respect.

As I indicated in my opening remarks, this is essentially a question of whether the amendment introduces a new or substantive matter or whether it is an extension, an amplification of the motion which now stands before the House for debate. I also pointed out that the Chair has to take into account parliamentary jurisprudence covering this situation, and that unless an amendment is framed in such a way as to make clear that it does not introduce a new or substantive matter it is difficult for the Chair to accept it.

Before making my ruling I would refer to a citation in Beauchesne's, an authority which all hon. members will recognize and which must be taken into account by the Chair. It is citation 291, which reads as follows:

> When the House is considering a motion of which notice has been given for the appointment of a select committee a member cannot move to amendment that the committee be given wider powers than those which are set out in the notice.

The question for the Chair to consider is whether the amendment proposes to give wider powers to the committee, whether in fact a new and substantive question is raised or whether it is an extension or amplification of the motion before the House for consideration. If it is a substantive motion, then of course notice would be required and it would not be acceptable from a procedural standpoint.

[Mr. MacDonald (Egmont).]

The hon. member for Calgary North, the hon. member for Peace River (Mr. Baldwin) and the hon. member for York South (Mr. Lewis) have argued very forcefully that the amendment does not put forward a substantive matter; that it is merely an extension or an amplification of the motion. This is the question the Chair must decide.

It might be helpful if I were to read the motion which is now before the House. I shall read only that part which is pertinent to our consideration at this time:

> That a Special Joint Committee of the Senate and House of Commons be appointed to examine, inquire into and report upon the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future by reason of lawlessness or violence in Canadian society and that endanger the existence of government or the maintenance of the peace and public order—

In amendment thereto, the hon. member for Calgary North proposed the following:

> That the motion be amended by adding at the end of the first paragraph thereof the following:
>
> "and, for better assuring the purposes of such report with respect to emergencies that endanger the existence of government, inquire into and first report upon all the circumstances anticipatory of and giving rise or purported to have given rise to the proclamation of the War Measures Act on October 16, 1970, as well as all the circumstances thereafter following and thereto related which may have or presently or in future may endanger the existence of any government, whether federal, provincial or municipal."

In his submission, the hon. member for Calgary North argued with respect to Standing Order 47—and the Chair is prepared, on consideration, to accept the argument—that this Standing Order is in itself not an impediment to any decision the Chair may take as to the acceptability of the amendment. I did mention in my preliminary remarks that the parliamentary jurisprudence based essentially on the citation I have quoted is definitive in the matter: if the amendment introduces a substantive or new matter, it cannot be accepted.

I wish to refer to a ruling made by Mr. Speaker Michener, quoting a previous ruling by Mr. Speaker Macdonald, as follows:

> I could give the hon. member many more citations and rulings by Speakers. There is one by Mr. Speaker Macdonald which appears in *Journals* for April 4, 1951, at page 243. He ruled "An amendment cannot be moved giving the committee wider powers than those which were set out in the Notice of Motion. Then, there is another ruling of Mr. Speaker Macdonald's on November 2, 1951, as contained in the *Journals* at page 67. He said, and I quote: "I might say at this time that if the minister himself proposed an amendment which would widen the terms of the resolution I could not allow it to stand unless with the unanimous consent of the House."

The Chair would have some difficulty if the argument were put—and it has not been so presented—that the motion could be considered in an abstract manner. It would seem to me that the motion now before the House is one which must be considered in relation to events of the past.

The hon. member for York South put forward a very forceful argument. He referred to events in Canadian history. I think he referred to the Riel rebellion, and the Winnipeg strike of 1919 in the context of the events

referred to in the amendment moved by the hon. member for Calgary North.

• (8:20 p.m.)

The Chair has the responsibility of deciding whether the amendment now before me for a ruling on its procedural acceptability is one of substance or is an extension or a direction within the confines of, or is relevant to, the motion to appoint a committee. In my opinion, the amendment of the hon. member for Calgary North is in fact an extension or amplification of the main motion. It seems to the Chair that the committee could not be asked to consider the main motion in an abstract form without reference to events in Canadian history, whether it be the events described in the amendment of the hon. member for Calgary North or events such as those referred to by the hon. member for York South.

Having come to the decision that it is in fact not a substantive motion but a motion that extends or amplifies the main motion, I am of the opinion that it is procedurally correct and I am prepared to put the motion. The hon. member for Calgary North, seconded by the hon. member for Lambton-Kent (Mr. McCutcheon) moves:

That the motion be amended by adding at the end of the first paragraph thereof the following:

"and, for better assuring the purposes of such report with respect to emergencies that endanger the existence of government, inquire into and first report upon all the circumstances anticipatory of and giving rise or purported to have given rise to the proclamation of the War Measures Act on October 16, 1970, as well all the circumstances thereafter following and thereto related which may have or presently or in future may endanger the existence of any government, whether federal, provincial or municipal."

Mr. David Lewis (York South): Mr. Speaker, I think the ruling you have just given makes an important difference to the motion before the House. If the government party will have the sensitivity to support the amendment so that the committee is given the necessary power to make some kind of intelligent investigation of the reasons that make special legislation necessary, then the committee might have a job to perform that will be meaningful. But I have a strong suspicion that the government will not support the amendment, that the government is not in favour of any investigation of the reasons for invoking the War Measures Act, that the government is not in favour of such investigation because even it now knows that the invocation of the War Measures Act on October 16, 1970, was a shameful overreaction followed by the deliberate creation of hysteria and panic throughout the country.

Because the government now knows that that is the case, it has not the courage to permit a parliamentary committee to call before it witnesses and to inquire into the actual things that happened last fall. I cannot under any circumstances support the motion on the order paper because it is based on the assumption that special legislation to deal with possible future emergencies is necessary. The motion before the House does not say, as it might have, that the matter will go to a committee for decision whether or not special legislation is necessary. It might give the committee an opening to look into that if the amendment moved by the hon. member for Calgary North (Mr. Woolliams) is accepted by the House; but as I am certain it will not be accepted by the Liberal majority in the House, what we are left with is an instruction to a committee that starts with the implicit statement that special legislation is necessary and so all the committee has to do is decide what kind of legislation this House should pass.

It is also significant to note that the motion before us does not make the slightest reference to individual liberty and individual rights. The Minister of Justice (Mr. Turner) quite properly said that he had to weigh the relationship between national security and public order and individual liberty and individual rights. It is very nice to say that but I submit, Mr. Speaker, that the motion to set up this committee ought to say it. The motion ought to say to the committee: Please inquire into the question whether or not special legislation is necessary, and when and if you consider legislation please keep in the forefront the preservation of human dignity and liberty in Canadian society.

Therefore, I ask myself why the government is making this motion. Why is a government that did not hesitate to bring down the War Measures Act on October 16, 1970, and did not hesitate to bring in the public order act at a later date, now wanting to establish a committee when it has already made up its mind—and the Liberal majority on the committee will be so instructed—that there must be legislation? Why does the government send this matter to a committee? I have a suspicion that the government already has some draft legislation or clauses that will find their way to the committee via a member of the committee, that the government already knows what it wants in the legislation. So why does it not produce a bill?

The minister said this afternoon that he wants the people of Canada who are interested in civil liberty and in this kind of question to appear before the committee. They could appear before a committee that was considering a bill just as readily as they could appear before a committee considering this motion. Why, then, is the government presenting this motion instead of taking the responsibility of and having the courage to present a bill to this House? I have no hesitation in finding an answer.

An hon. Member: Even you don't believe that.

Mr. Lewis: I do believe it. Knowing the feeling across this country about the way in which Canadians were taken in last fall, the government does not have the courage to present a bill on its own but wants the subterfuge umbrella of a parliamentary committee. In order to make certain that the government gets out of the committee what it wants to get out, it made the committee a joint committee of the Senate and House of Commons.

Mr. Jerome: Would the hon. member permit a question? Is the hon. member—

Mr. Deputy Speaker: Order, please. The parliamentary secretary may ask a question if the hon. member for York South (Mr. Lewis) is prepared to entertain it.

Mr. Lewis: I do not intend to do so more than once, Mr. Speaker; but since the parliamentary secretary seems unable to sit still I will listen to his question.

Mr. Jerome: Is the hon. member for York South (Mr. Lewis) saying that he would prefer the government to send a prepared text of a bill to the committee instead of simply giving the committee a resolution? Is that what he is now saying?

Mr. Lewis: I am saying to this House—and the parliamentary secretary is intelligent enough to know what I am saying—that I am opposed to the bill and I am opposed to this motion.

Mr. Jerome: What bill?

Mr. Lewis: I am opposed to any kind of special legislation; and I am opposed to this motion because it underlines the need for special legislation, something that I do not accept. I am saying that if the government wanted special legislation, it would have been more honest and more helpful if it had produced legislation it wanted directly, instead of taking the subterfuge approach of establishing a committee to do it. It is perfectly obvious to me that this underlines the weakness of the position of the government in stating that special legislation is needed.

• (8:30 p.m.)

The Minister of Justice in his brief remarks today tried to place this whole subject in an historical and theoretical context. He talked in somewhat airy terms about our living in an era of confrontation and violence. There is some violence across the world. My reading of history tells me that there is probably no more today than there has been throughout history. I suggest that in every era there has been a response to injustice which was not always logical, democratic or peaceful. There is nothing new, as so many people suggest, about the modern era and confrontation or violence on the streets.

If the members of the House or the people of Canada are to consider the question of public order in the context of violence, then I suggest two things. I suggest, first, that it is important to try to understand the reasons for that violence. It is important to try to understand what produces the frustration that results in violence. Second, it is important to try to understand whether repressive legislation ever did any good.

Having regard to the first, I suggest that one of the major reasons for the prevalence of violence throughout the western and eastern world today—and I am not talking about wars—is the fundamental disappointment of peoples all over the world at the way in which our democratic process functions; the deep disappointment which people all over the world have felt since the end of the Second World War because the hopes for which Hitler and Mussolini were defeated have not been fulfilled. I refer to the hope of the young in particular that the end of World War II would mean more stable, lasting and untroubled peace.

On almost every continent in the world there is war or the threat of war, and over the entire world hangs the threat of nuclear destruction. I suggest the reason for this violence across the world, particularly in democracies, is that when the Second World War ended there were peoples around the globe, particularly the young, who hoped that the end of that war would also end poverty in the world, degradation, racism and discrimination. The opposite is the case. Young people all over the western world see continuing degradation, poverty, racism and discrimination. They see that the democratic process functions with shamefully disappointing slowness.

That is why you have violence and the threat of violence. The reason is that we have young people in Canada who finish school and are thrown out into the world where they cannot get jobs. Across this country we have university graduates, most of whom cannot find jobs. This is the kind of world our capitalistic, democratic system is producing. This is the kind of world in which violence grows.

I say now what I said on October 16, that this government is merely showing another aspect of its reactionary attitude toward society. It does this by dealing with possible future outbreaks through another piece of repressive legislation which will destroy civil liberties in Canada. It cannot succeed in this way. Whether it is in Quebec or anywhere else, as long as you have the amount of unemployment we have in Canada today, as long as you have a program of regional expansion that is not making the slightest dent on regional inequalities in this country—in spite of what the minister said this afternoon—as long as you continue to have one-quarter of the people in Canada living at or below the level of poverty, and as long as you have young people frustrated about their future you lay the seeds of violence; and no repressive legislation will end that situation or even cure it in the slightest.

If the minister is going to place this question in an historic and philosophic framework, he is talking shallow words, unless he places it in a framework such as I have suggested, I am sure somewhat inadequately. Does repressive legislation accomplish any purpose? I say to the members of this House and the people of Canada, if I may with humility but with emphasis, those of us who expressed our views on October 16 that the invocation of the War Measures Act would simply assist the forces of disunity in this country were, unfortunately, right.

I re-read the speech I made on October 16 and the speech I made on November 5 last, and I am not happy. I am unhappy to find that the words spoken then have proven to be right. Separatism in the province of Quebec has been assisted by the actions of this government. Since the fall I have met literally hundreds of young Quebeckers in various parts of that province, who have pointed to the invocation of the War Measures Act and the injustices that were carried out under it and the new public order act as reason for no longer having any faith in Ottawa, for no longer having any trust in the federal government, and as reason for no longer wanting to be governed in such a way.

An hon. Member: That was an excuse.

Mr. Lewis: When the hon. member says, "That was an excuse", I say to him that many of the people who have spoken to me in this way are not separatists but are against separatism, and they are heartbroken about the way in which the province of Quebec suffered as a result of the actions last fall of this government. I suggest that any other repressive legislation put on the books to replace the Public Order (Temporary Measures) Act, even when not used, will merely be an encouragement to the forces of disunity in the province of Quebec and in the whole of Canada.

Mr. Woolliams: And a disservice.

Mr. Lewis: And a disservice to our people. What has happened since the fall? The hon. member for Calgary North (Mr. Woolliams) spoke fully and eloquently on this subject. Permit me to spend a few minutes on it. We had a tremendous threat of apprehended insurrection, as far as the government was concerned. I will come back to that in a moment. We had all the powers under the War Measures Act and we had all the powers under the public order act. The total number arrested was about 500. The total released was about 440. About 60 people were charged, and most of the charges were laid under the Criminal Code.

Where was this tremendous threat of insurrection? Where are the 1,000 to 3,000 members of the FLQ the Minister of Regional Economic Expansion (Mr. Marchand) so shamelessly spoke of on the radio in Vancouver? Where are these people who have infiltrated every aspect and form of Canadian life, as the same minister shamelessly suggested in this House? We let loose the RCMP, the provincial police, the municipal police and we had thousands of soldiers on the job. What did they do? They caught about 490 people, 440 of whom were completely innocent.

• (8:40 p.m.)

What kind of apprehended insurrection was that? What kind of dishonesty was this government guilty of in making the people of Canada believe there was an apprehended insurrection in the province of Quebec? Then we were told there were weapons all over the place, that there was dynamite all over the place and that there were machine-guns. Then there was all this power of search. The police searched everybody they felt like searching, as dossier Z presented to a recent meeting of journalists showed. What did they find? They found, if I remember correctly—I can be corrected if I am wrong—some 30 weapons including a couple of hunting knives, a rusty rifle and a few hundred sticks of dynamite.

Either the Prime Minister (Mr. Trudeau) and the members of the government were telling falsehoods, or the entire police force, including the defence forces, were totally and absolutely incompetent. I prefer to believe the first is probably the truth. I do not believe that the RCMP, the Quebec police, the municipal police and the armed forces are totally incompetent. I do believe, however, that the government acted in panic for a reason I shall mention in a moment, and that they built a scenario to justify their action which could not be defended by truth and fact.

That is what happened last fall. Why did they act last fall? I shall repeat what I said at the time. These statements are not based on fiction or on a scenario; they are based on legitimate, valid and logical conclusions from things said inside and outside this House. What was said to justify the statement that there was an apprehended insurrection? It was said that there were 1,000 or 3,000 members of the FLQ. Obviously that was an exaggeration beyond compare. It was said there were tons—these are not the words actually used—of arms all over the place. Obviously there were not. That was an exaggeration beyond compare. It was said there was dynamite lying around everywhere, to blow up everybody. That was obviously an exaggeration. We were told, as the Minister of Justice then put it, that there was erosion of will in Quebec. The Prime Minister said there was confusion in the province of Quebec. The Minister of Regional Economic Expansion said that FRAP was a dangerous organization.

Mr. Stanfield: There must have been an apprehended insurrection of the government.

Mr. Lewis: These are the things we were told. Then the government got a real bonanza. It learned of a conversation in the offices of Claude Ryan of *Le Devoir*. It learned that a few editors and other people had been sitting in a room discussing in a theoretical way the possibility that Bourassa's government was weakening and what would happen if it should fall. That immediately gave the government an opportunity to spread another rumour in innuendo in order to support their unsupportable purpose. Two ministers—I said this in the House last fall—two at least among the people directly concerned, told me about the spreading of the rumours, one at a cocktail party and one somewhere else, to the effect that there was an attempt in Montreal to provide an alternative government.

The Prime Minister acted with a kind of cunning for which I admire him more and more, although I admire him less and less for what he is doing to this country. With a kind of cunning, he never denied the rumour. He knew it was not fact, he knew what had happened; but he never denied it. On the contrary, as recently as the other day when he was interviewed for "Weekend"—the interview, I understand, is to appear this coming Sunday—he repeated the innuendo. In answer to a question on this subject he replied that there were people in Montreal seeking to establish an alternative government.

The number of times the Prime Minister when attending universities in Canada, England or elsewhere, when sitting around chatting with students, talked about this, and the number of times the Minister of Justice at a university in Canada, or at Oxford, talked about this when discussing the state of the country and what would happen if the government fell and what the alternative government should be, was legion. They probably are still doing it. This goes on all the time.

The Prime Minister and the members of the cabinet knew perfectly well it was a wrong rumour, but they never stopped it. The Prime Minister repeated it the other day and ministers of his cabinet helped spread the rumour. Why did they do that? I say now, as I said last fall, that they did it deliberately. They knew that if the people of Canada read some headlines suggesting that a group of men in Montreal were discussing an alternative government, they would naturally come to the conclusion that it was a group of members of the FLQ plotting to overthrow the government of Quebec.

It has been this kind of dishonest, misleading social context for which this government was responsible last fall, and now it comes to this Parliament and says that in its opinion there should be special legislation and asks that a committee of the House tell it what kind of legislation there should be. The members of the government know what they want, and they will get it before the committee in some under the table way. Their members in some way will tell the committee what they want in the law. But they want the people to believe that it is not the government's idea but the idea of a parliamentary committee. So far as I am concerned and so far as the members of my party are concerned, inside this House and outside this House, we will not be a party to this kind of dishonest misrepresentation of an important situation.

Some hon. Members: Hear, hear!

Mr. Lewis: If anyone wants further proof that what was done last fall was shameful, I suggest he read the book by the Secretary of State (Mr. Pelletier). I read it some weeks ago before I could obtain a copy of my own; I borrowed a copy from a member of the press gallery. What does that book add up to? The Secretary of State will have an opportunity to disagree with me if he wishes to do so. I read the book carefully from cover to cover. It adds up to this; that there was never a threat of a popular insurrection. What the Secretary of State meant by using the word "popular" instead of merely "insurrection" I do not know, but it is this kind of semantics which confuses the situation a little. He states clearly that there was no danger of a popular insurrection. That is what he said, I believe word for word, or at least that is the effect of it.

Then he goes on to pile up the escalation of the FLQ activities over seven years and the dangers thereof. The dangers are those of marches on the streets of Montreal which might have resulted in riots. That is all there is in that book. That is all there is as an explanation of the invocation of the War Measures Act. All that is fact, instead of fiction, in that book is that there was a danger of marches, particularly by students and other young people, on the streets of Montreal which might have ended up in violence and riots. That was reason enough, Mr. Speaker, to invoke the War Measures Act; that was reason enough to take away personal liberties from people or to incarcerate 440 Canadians, innocent people, for days on end!

[Mr. Lewis.]

Some of these people lost their jobs as a result and many of them are still suffering from the ignominy of having been in jail and of being associated with violence and the FLQ, by reason of the fact that they were in jail. I say that this could not have justified anything and that the only thing which made this government do what it did last fall was the obvious danger that the Liberal government of Quebec was not keeping together.

• (8:50 p.m.)

An hon. Member: Nonsense.

Mr. Lewis: The obvious danger for the Bourassa government was in being divided within itself on the question of negotiating with the kidnappers or not negotiating with the kidnappers. The War Measures Act was invoked for no other purpose but the ignoble one of saving a Liberal provincial government from going to the dogs. That was the erosion of will about which the Minister of Justice talked. That was the confusion about which the Prime Minister talked, for there was no other in the province of Quebec at that time.

As a result of that, as I have said, some 440 innocent people suffered great injustice and there was a worsening of the situation with regard to the fragile unity of our country.

An hon. Member: The Prime Minister would call you a bleeding heart.

Mr. Lewis: The Prime Minister might call me a bleeding heart, but I have not hesitated to tell the Prime Minister what I think of him, so we are even-Steven.

Mr. Speaker, I should like now to spend a moment dealing with some misunderstandings which have also been spread among the people of Canada. If you put a thing in a certain way, then the facts disappear and something that is not fact becomes fact in the public mind. The art of communicating carefully wrapped non-facts so that they look like facts is an art in which this government, and particularly its leader, are expert. Every time the Prime Minister speaks about what happened last fall, he says something to the effect that there were two kidnappings and there was one murder, so obviously they were right in invoking the War Measures Act. He never tells his audience that the unfortunate, the brutal, the unforgivable murder of Mr. Laporte came after the invocation of the War Measures Act and not before.

An hon. Member: That is right.

Mr. Lewis: He never tells his audience that the War Measures Act was invoked at 4 a.m. on Friday, October 16, and that Mr. Laporte was not murdered until some time on Saturday, October 17, 1970. I say, Mr. Speaker, that it is more logical to see a causal connection between the invocation of the War Measures Act and the murder

of Mr. Laporte than it is to put to the people of Canada what happened in October last in such a way as to make them think that the War Measures Act was invoked as a result of the murder, when the murder occurred perhaps as a result of the invocation of the War Measures Act and certainly after that took place.

There is another way in which the Canadian people have deliberately been made to see something that is not a fact, as a fact. The Prime Minister did it again in the interview to which I have referred when he said, "We needed the War Measures Act; we needed the soldiers and all the police in order to meet the threat in Quebec". Never is the audience told what is the fact, namely, that you do not need the War Measures Act to get the armed forces to assist the civil authority.

Some hon. Members: Hear, hear!

Mr. Lewis: Never is the audience told the truth, namely, that the armed forces were sent into Montreal on the Wednesday and Thursday of that week before the War Measures Act was invoked.

Some hon. Members: Hear, hear!

Mr. Lewis: Never are the people of Canada told that. Never are the people of Canada told by this government that there is in the National Defence Act a provision which makes it obligatory on the Minister of National Defence or on the officers concerned to give assistance to a civil authority if the attorney general of a province demands it.

All the things I have referred to this evening, Mr. Speaker, have been carefully woven together into a piece of fiction in order to defend what was done last fall. I am delighted to see, as I was certain would happen, that in the course of the last few months the people of Canada saw that it was a piece of fiction, that they had been taken in. The Gallup poll which gave this government 59 per cent last fall has now dipped to 42 per cent. I am not referring to the additional numbers that the Conservatives have or the additional percentages that my party has gained. What is of immense significance to this Parliament and to Canada is that the people of Canada are seeing through this government, and that this government is now at one of the lowest levels of popularity in its history.

Mr. Woolliams: I hope they do not only see through it; I hope the government is through.

Mr. Lewis: Mr. Speaker, I think my time is about up, but I say to the Minister of Justice and to the government that they will have to prove to this Parliament and the people of Canada that special legislation is necessary before anyone in Parliament who has any concern at all for human dignity will vote for this motion or for any legislation that may follow. In my view, the Criminal Code has ample provisions to deal with the situation. When the Minister of Justice said this afternoon—if I am wrong, he will correct me—"the Criminal Code is not sufficient because it is concerned with apprehending the criminal", I say to him that he knows better than that.

Mr. Turner (Ottawa-Carleton): That is not what I said.

Mr. Lewis: If it is not, then I am glad. I say to the minister that the Criminal Code does not merely provide for the apprehension of a criminal; it provides for preventive action to avoid crime just as readily and importantly. The Minister of Justice nods his head.

Mr. Turner (Ottawa-Carleton): Certainly.

Mr. Lewis: Fine. In the Criminal Code we have a widely-worded provision about seditious conspiracy—"sedition is," "libel is," and all the rest of it. We have all the Criminal Code provisions about conspiracy and provisions about unlawful assembly and riot which would have been more than ample to deal with the street riots which the Secretary of State feared in his book. You do not need any special law to deal with that.

There is in the Criminal Code provision for the prohibition of offensive weapons, and the Code provides for search without warrant for offensive weapons anywhere except in a private home.

There is provision in the Criminal Code that gives the Governor in Council authority to define what an offensive weapon is, so that the cabinet can define anything that it believes to be an offensive weapon as such. Not only are there all these, but there are provisions in the Criminal Code that give to police and peace officers the right to arrest without warrant if they have reasonable grounds to believe that a crime is about to be committed. The Code also gives them the right to enter a house without a search warrant if they have reasonable grounds to believe there is someone in the house who may have committed a crime, is about to commit a crime, or if there are people on the premises whom they may have reasonable grounds to believe are conspiring to commit a crime. There are all these provisions in the Criminal Code to prevent the commission of a crime as well as the apprehension of the criminal.

The Minister of Justice discovered the Criminal Code for the first time the other day when he said that when the public order act dies, membership in the FLQ will still be a crime because they are guilty of criminal conspiracy. I interjected then, and I repeat what I said on October 16 or November 5, I forget which, when I was booed by members of the Liberal party. I said then that as far as I was concerned, in view of the stated objectives of the FLQ, stated in every piece of paper that they have distributed since 1963—the stated objective of using violence, the stated admission of having used bombs, having stolen, having robbed, having derailed trains, and so on—anyone who is a member of the FLQ is a member of a criminal conspiracy under the ordinary Criminal Code and you do not have to make the FLQ illegal by special law.

• (9:00 p.m.)

I believe that the Criminal Code is adequate. In my respectful submission, this Parliament ought not to take a single, solitary step, even the smallest step, in the direction of curtailing civil rights and liberties. The history of

humanity is full of statements by reactionaries and dictators all over the world that the reason they were introducing repressive legislation or repressive action was to preserve or restore order. Hitler said it, Stalin said it, Mussolini said it, Peron said it, Salazar said it.

No member of this government is in that kind of company; I am not suggesting that. But I am saying that the words of the Minister of Justice, who undoubtedly is as concerned about liberty—or at least will claim he is—as the rest of us, sound exactly the same as the words of those people. No repression of civil liberty has ever been undertaken by any government except on the excuse that it was restoring or preserving the social order, and it does not sound any better in this House of Commons than it sounds in any other Parliament in the world whether democratic or otherwise.

Therefore, Mr. Speaker, I cannot support this motion. There has been no evidence put before Parliament or before the people of Canada that special legislation is in fact necessary. The committee, as the minister wants it, will have no authority to enter into any inquiry about events in the past to show the direction in which we must go. It is a motion based on the panic of last fall and on literal insanity in the spring of 1971.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, the motion under consideration reads as follows:

That a Special Joint Committee of the Senate and House of Commons be appointed to examine, inquire into and report upon the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future by reason of lawlessness or violence in Canadian society and that endanger the existence of government or the maintenance of the peace and public order;

Mr. Speaker, before getting to the core of my topic, I should like to say that we of the Social Credit Party are in favour of civil liberties and respect for the individual and I think that no other speeches are necessary to inform the House of our views on civil liberties.

However, we are also opposed to anarchy, and those who were living in the province of Quebec last fall know better than anyone else what had happened to our civil liberties and what point anarchy had reached. Those who do not live in Quebec may talk through their hat on behalf of civil liberties, but they don't know how close we were to anarchy then.

First of all, we are in favour of antiterrorist, antidisorder and antiriot legislation. We would hope—and this is why we are blaming the government—that the legislation be permanent and national. We voted against the Public Order Act because it affected particularly the province of Quebec. Since we do not like the idea of a special status, we have decided to vote against that measure.

Mr. Speaker, the act, which should be national and permanent, could be implemented in the extraordinary circumstances involved.

I must therefore say that we will not sit either on the committee which the government intends to establish. We will not allow them to laugh at us once more. Last fall, the Prime Minister (Mr. Trudeau) sent a letter to all party leaders asking them suggestions in order to guide the government as to the policy to follow concerning the war measures, but even before our suggestions reached him the proposed legislation was already printed. People laughed at us on that occasion and we certainly will not allow the government to do so again in a special joint committee.

Later on, the right hon. Prime Minister bragged about having consulted all the parties of the opposition. He did, but the bill was already printed before he examined their views.

If another committee is to be set up in order to make the Canadian people believe that the government, through a committee of the House, has consulted parliament, we will refuse to be part of it. We will let the government assume their responsibilities and introduce a second bill similar to the one they have passed, behind our backs, after having asked for our advice.

Mr. Speaker, even if we have not experienced—contrary to the opinion expressed by the hon. member who preceded me—the October crisis, the federal government should propose legislation that would be applicable not only to one province but to the whole country and that would be permanent.

Mr. Speaker, one does not wait until the city is on fire to think about organizing a fire brigade.

We know, in any event, that confusion is rampant in Canada. I agree with the hon. member for York South (Mr. Lewis) that the economic problem is the fault of governments that are financially paralysed, and this leads to confusion, disorder and anarchy.

The communist conspirary, which is attempting to establish its own system throughout the world with the complicity or through the stupidity of governments, is another cause of this problem. This is yet another threat to public order in Canada. Mr. Speaker, I would like to quote statements by Communist leaders which prove that this threat does actually exist.

• (9:10 p.m.)

This is what Lenin once said, and I quote:

Co-existence with other nations is a must until such time as we become powerful enough to assert ourselves through world revolution... We are no pacifists. Conflict is inevitable. Major political issues cannot be resolved but by means of violence... Co-existence of Communism and democracy side by side in this world is unthinkable. The one or the other is bound to perish.

A little further, Lenin added:

It matters not that three quarters of the world should perish so long as the surviving quarter is Communist.

With an overwhelming majority of forces, a frontal attack may succeed. But with inadequate forces, one may have to resort to roundabout ways, periods of waiting, zigzags, retreats.

Well, Mr. Speaker, we began experiencing such zigzags in the province of Quebec last fall. Lenin also said:

Promises, like pie crusts, are made to be broken.

Mr. Speaker, we did not need Lenin to tell us that. Politicians have been giving ample proof thereof for the past 100 years. And here is what Khrushchev told American diplomats in 1956:

We will bury you.

That is clear enough. Is that not a threat, Mr. Speaker? In 1959, he said:

> We cannot expect to see America making a sudden leap from capitalism into Communism, but we can help the elected leaders give the Americans small amounts of socialism until they wake up only to find that they have Communism.

Mr. Speaker, the October crisis served also another purpose, that is the publicity of this government that took advantage of public threat, fright, fear and disorder to play politics. It still wants to carry on this game and to use other possible crises to its own ends, while the public would be left unprotected, as it is the case now, by means of a permanent statute; then, if there is an impending danger, the government may look as if it were running to help the people, in order to line them up better behind itself.

The government does not want to have a permanent, serious and national statute. It wants us to forget its incompetency and its failures, by making use of any trouble to make us forget its sins in order to further its re-election. This Liberal government—perhaps you will regard me as a prophet some day—intends to use the FLQ as a scapegoat to win the next election.

If the FLQ does not do anything spectacular, the Liberal party will arrange that easily, because it has always done so on the eve of elections. We were able to ascertain that he used a similar trick on the occasion of the last Quebec provincial election.

If ghosts are needed the Liberal party will provide them. Afterwards, like Don Quixote, it will hurry to rescue the people. Mr. Speaker, I can forecast that the Liberal party will take advantage of fear to win the next election, thereby creating panic so that people will forget the just society it promised and never implemented.

Mr. Speaker, the government would like to appoint a committee of the Senate and the House to examine a bill to replace the emergency measures. As I said earlier, that is absolutely absurd.

Why should members of the Senate sit on this committee? They have not been elected by the people of Canada and they are not responsible to them. The senators will only slow down the business of the committee and delay its report. The task of that committee will be to examine—not to draft—a piece of legislation for the passage of emergency measures.

Mr. Speaker, when our electors voted for us they thought they were electing parliament members, not students. Now the Prime Minister wants to compel us to study in committee without giving us any power to prepare a legislation.

The establishment of that committee has no other object than to disguise the lack of responsibility of this government which is afraid of assuming its responsibility and does not bother about protecting the people, for another crisis like that of October could break out tomorrow. The people will have nothing more than before the crisis to protect themselves. The repeal of emergency measures by the government helps only anarchists and revolutionaries.

Mr. Speaker, emergency measures do not move me, do not scare me, do not trouble me, do not interfere with my family, do not upset my way of life. What people can be harmed by emergency measures? If individual freedom is respected, we cannot prejudice the civil liberties of an individual following the path of duty. Those whose background was above suspicion in October or November, were not unduly bothered.

However, I know some people who were bothered in colleges or elsewhere and whom the police had reason to question. I even know some teachers in my own city who were fired because they were teaching revolution to our children instead of what the program required. They had committed no indictable offences; nevertheless, the education they were giving our children was of questionable quality. One of my daughters who attends a CEGEP, and I knew almost every day, every weekend, what kind of education they were trying to give our students. Our children were not requested to plant bombs, but it was sought to give them an education which would correspond 100 per cent to the views of the so-called liberators, also known as revolutionaries.

The Prime Minister would have people believe he wants to protect them while permitting revolutionaries to better organize themselves for a second offensive. Why wait for the passing of emergency measures? Why wait one year for a committee report when we know all we need to know? We have been informed of all the facts. Even if we are not aware of some facts, even if we were to adopt emergency legislation tomorrow, even if we do not need it, this would harm nobody. But should the fire of revolution would break out somewhere, there will be no need for Parliament to meet and for us to argue and persist in finding some method to fight it.

Double playing, the government thought of setting up a joint committee composed of a sufficient number of talkative members to waste time while a revolution is being organized.

Mr. Speaker, one has to be quite naive to think that everything is over and belongs to the past because the revolutionaries are still at work. Killers are still at large. In fact, this is the only true freedom.

Underworld prosperity is its reward and the result of contributions to election funds. Cursory examination of newspapers published these past three months provides ample evidence that more murders than ever are being committed in the province of Quebec, particularly in Montreal.

• (9:20 p.m.)

The government, the New Democratic Party and some other members do not want anything to change in that regard because apparently they want to take the road leading to socialism, the dream of our Prime Minister. In a moment, I shall give facts that show that his dreams have not changed. But until his socialistic dream comes true, the Prime Minister runs with the hare which represents the people, and hunts with the socialist and revolutionary hounds, and finds it possible to make right-wing speeches on television advocating harmony and disci-

pline. On the other hand, the Prime Minister's friends from the time of *Cité Libre* will be allowed to work undisturbed at the building of the socialist society they dream about and which they are today in a position to achieve and which they are, in fact, achieving very well.

The double game of using right-wing talk and letting revolutionaries take the initiative, is merely to be a man of the right in one's words and a man of the left in one's actions. That is why he must be careful not to reinstate, right now, these emergency measures, in order to better allow anarchists to come to Canada, and particularly to Quebec.

The Prime Minister wants to play for time and, to this end, he is hiding behind the ineffectual and verbose democracy of a committee which he controls.

The death penalty is no more, and the underworld is happy about it. Emergency measures are no more; so, the anarchists are shaking hands and congratulating themselves, shouting: Long live Liberty! They are now free to set up another crisis, undisturbed, and when they are well organized, we will set the police and the Army after them, at the last minute. And there we are! That is it! We asked for revolution? We have got it. We have left them all freedom and latitude to organize; then, we will face them, at the last minute.

The government does not need any task force to tell him what to do: Let it take its responsibilities. It has the required majority: Let it act. Its platform during the last election campaign was based on the principle of a majority government. Well today it has a majority, so let it resort to action! It has the responsibility for governing the country: let it propose a bill to the House after consultation with the opposition parties.

The government was warned by Messrs. Drapeau and Saulnier from Montreal. It sneered at their advice. The appointment of a royal commission to inquire into the activities of the Company of Young Canadians had been requested, but the political game was played and therefore the inquiry requested by the mayor and the chairman of the executive committee of the City of Montreal did not take place. The government did not wish to take the necessary measures to prevent the anarchists from going into action in Quebec and on account of this gross carelessness we had the October crisis. The Prime Minister is not willing to pass permanent legislation in order to keep under control the Canadian anarchists, especially in Quebec. It is rather strange to see who are the accused summoned before the courts and what is the past of some of them. Up to now, those people have endeavoured to destroy our society and, when they are quite organized, they will be successful, because the emergency measures will have been passed too late.

I have here some statements which in my opinion are rather important. There is in Canada a new organization directed by Mr. Jean-Louis Gagnon. The federal government should be more cautious about him that it has been up to now.

The hon. member for Bonaventure (Mr. Béchard) can say that we are witch hunting. He can speak as he pleases; he is free to say what he wants in the House, but it is unfortunate that he does not speak more often so that we may know his inner thoughts.

The Director of Information Canada stated the following:

[*English*]

"I haven't got a drop of national glory in my veins, but I have a lot of hot red blood that demands vengeance—

"I believe that revolt is the law of the slave, and one must die according to his law—but I do not believe anymore that there are races that are born to reign or to dominate—

"Nationalism leads to useless wars; class struggle leads to the liberation of the oppressed . . . the class struggle is a liberating factor—"

[*Translation*]

Mr. Speaker, this letter was written not too long ago. I have another statement which is from a distinguished American criminalist and which reads as follows:

[*English*]

People who won't believe in the conspiracy theory of history are the very ones who make it possible for conspirators to go on making history.

[*Translation*]

Mr. Speaker, I could quote other statements to show that in Canada, as in other countries, the federal government has a right to be concerned about its own security. It is not when disturbances are at our doors that it is time for the government of a country to get organized. We are here to pass preventive legislation, and it should be passed as soon as possible since after the October events we cannot be so naive as to think that everything is back in order.

If we passed legislation enabling some agencies to inquire into what is happening in our province and elsewhere in Canada, we should have an excellent preventive measure to avoid a recurrence of disturbances similar to those we had in October.

That is why the motion introduced by the government is stupid and absurd. This motion is designed to fool Canadians even more, to get them to swallow that the government is studying the problem and will take some action, while it has all which is necessary to draft a bill and introduce it in the House. Those members who are concerned with national security and individual freedom instead of anarchy could then vote in favour of the bill.

That is why I suggest that this government in delaying the passage of a permanent and national act is failing in its duty. Such a law could be useful. It is essential that this government discharge its responsibilities but obviously it is procrastinating so as to be in a position when the elections come to play politics on the FLQ's back.

[*English*]

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, as we proceeded through the month of April knowing that the Public Order (Temporary Measures) Act was about to expire, I was one of those who felt that we should not continue the public order legislation. I was also one of those who felt that we should consider new legislation to deal with situations such as we had last fall, but that this legislation should be considered by a

parliamentary committee and by Parliament as a whole in consultation with the people of Canada.

When I heard the hon. member for York South (Mr. Lewis) state this evening that this resolution was a subterfuge and hoax, that the government had a bill under the table and that it would instruct us what to do at the proper time, I was extremely disappointed in him. The hon. member for York South, the new leader of the New Democratic Party, is very quick in this House to accuse others of arrogance. He did that this afternoon with regard to the Prime Minister (Mr. Trudeau).

I do not know whether it should be called arrogance or something else when a member rises in this House and presumes that when another member makes a decision on an important issue it is because he has been instructed by somebody else. He presumes that the members of his party will not be instructed by somebody else, but categorically suggests that the members of this party on an issue that is very important—especially to me because I am from Montreal and represent people in that city—will be instructed by the government as to what to do when a committee studies this issue. I say to the hon. member for York South and other members that I was not instructed what to do on any of the votes last October, and I will not be instructed what to do on this matter.

The type of resolution now before the House is the kind of solution I look to in order to deal with this type of problem. My reason is as follows. Now that the situation in Quebec has become quiet, we can deal with this matter at greater length and without passion. Because this is a question of suspending civil liberties in certain situations it must have a proper consensus rather than being in the form of a bill brought in by a government party or a majority in Parliament. We need the type of legislation to which all parties have contributed, as if they had to deal with the situation which confronted the government last fall.

• (9:30 p.m.)

I visualize the committee hearing from civil liberties groups, bar associations, mayors, police representatives, judges and all who administer the law in order to find out whether the law as it stands is adequate. The committee may find that no changes in the criminal law are necessary. I accept this as a possibility. I do not know. All I know is that last fall we were confronted with a situation in which the ordinary law was not adequate. I shall deal with this aspect later.

I wish to turn now to some of the arguments put forward by those who say we should have continued the public order legislation. I was completely opposed to doing so. I believe the goals we sought to achieve last October through the use of the War Measures Act, and later through the Public Order (Temporary Measures) Act, have been achieved. Quiet and peace has been brought to Quebec. There have been no serious incidents in the province since October. The strong and prudent action taken by the government then has served as a deterrent to those who thought they could change the social or political order by violent means. In the circumstances, the government had a duty to encourage a return to normality in Quebec. Had we sought to prolong the public order legislation, our action could have been taken as indicating a lack of confidence in the return of normal times to the province.

The Prime Minister of Quebec recently visited Europe and New York to encourage investment in the province. He has tried to convince potential investors that normal times have returned. We ought to second that type of approach. The best way of doing so was to discontinue the public order legislation after it expired in April.

It is fitting we should reconsider the criminal law to determine whether it is adequate to deal with situations of the type encountered last October. I would be opposed to the government bringing in a bill directly on this subject. When the suspension of civil liberties is in question there ought to be a broad consensus in the country as to the type of legislation which should be permitted—broader than can be shown by a simple majority in Parliament. We should endeavour to stimulate as many people as possible into thinking about this subject and grappling with it.

Of course, the government could have brought a bill forward. There would have been the usual opposition and bickering in Parliament by one side against the other as to its merits. By putting the issue before Parliament in the way now proposed, by inviting witnesses to give evidence before the committee and enabling all parties to deal with the question, we shall be in a better position to assess the situation and determine the type of legislation which may be necessary.

I repeat, under the terms of this motion I consider it a possibility that the committee might find that no changes are necessary. I reject the insinuations contained in the speech of the leader of the New Democratic Party, that we are dealing here with a subterfuge or a ruse and that we have all been instructed on these benches as to what we must do. Such a suggestion almost justifies a question of privilege being raised. However, I shall not pursue the matter.

In my opinion, the major question the committee should deal with is whether the rules with respect to appearance and arraignment within 24 hours of arrest are not lacking in circumstances where it is necessary to arrest a large number of people, where it is necessary to assess evidence and prepare charges against a great many people. In other words, the committee should consider whether in certain circumstances it might not be necessary to allow the Crown a longer period in which to examine evidence and prepare charges.

Mr. Woolliams: Will the hon. member permit a question? In the case of Laporte, the persons accused were arrested and charged with offences under the Criminal Code—kidnapping or murder. Would anyone accused of such crimes be released on bail in normal circumstances? Would he not be held in custody to give the Crown precisely the time the hon. member was talking about?

Mr. Allmand: Yes, in cases where those arrested are suspected of murder. But where crimes of violence are

widespread, situations could arise in which the normal rules with respect to arraignment might have to be modified and the period allowed for preparation of prosecutions extended. One might have to consider whether the law with respect to search and arrest ought to be changed. I make no judgment at this point, however. This is a matter which should be considered by the committee. We should talk to the police forces, the bar associations and everybody concerned—

Mr. Woolliams: Call the Prime Minister.

Mr. Allmand: As for declaring the FLQ illegal, I personally do not see how it can be done effectively. It could be done last fall because there was a group in existence then who called itself the FLQ and had done so for a long period; its members had committed criminal acts, including murder and bombing, and I think it was appropriate under the appropriate regulations to declare it illegal. As I say, I do not see how we can do it when bringing in new legislation but that, too is open to discussion.

The hon. member for Calgary North (Mr. Woolliams) presented an amendment which in my opinion is nothing more than an attempt to use the select committee as a tribunal to judge what Parliament decided last fall.

Mr. Woolliams: Nonsense.

Mr. Allmand: It would be a tribunal to judge whether the action taken by the government in introducing the regulations under the War Measures Act and the public order legislation was right or wrong. This is another attempt by the opposition to make political, partisan capital if they can out of a most serious issue. This type of re-examination of what Parliament did last fall is pointless. I suppose one could argue about it for months or years.

• (9:40 p.m.)

There had been an escalating situation. If the government had not taken the measures it did under the War Measures Act and then replaced the act with the public order act, no one can speculate what would have happened. Consequently, we have to look to the future and not to the past. I do not think anything can be gained by using the proposed committee as a tribunal. All it would end up as would be a lot of political partisanship and an attempt to rejudge what has already been done.

In his speech the hon. member for York South spoke as if the situation in Quebec last fall had been caused by the introduction of the War Measures Act.

Mr. Woolliams: He did not say that at all.

Mr. Allmand: Well, he seemed to say that. But many of us in Quebec had the impression that the FLQ had kidnapped two men, that they had threatened the government of Quebec and all Canada by asking for the release of certain prisoners, by demanding $500,000 and other things. We had the impression that these things happened first and that the government, which had been very patient for a long time, was concerned with civil liberties and with trying to solve the problems under the ordinary provisions of the Criminal Code, acted with great hesitancy when it introduced the regulations made pursuant to the War Measures Act. The government acted after the threat to life and liberty issued by the FLQ.

In his remarks the hon. member for York South continually spoke as if all the problems in Quebec were caused by the government bringing forth the War Measures Act. He said he had spoken to people in Quebec who said that the situation got worse because the government did what it did, and so on. The problems in Quebec were not caused by the government taking measures to protect the population. These problems have been created over a period of seven years by a group called the FLQ, which has attempted to disrupt, and has disrupted, society by many forms of violence.

The hon. member for Egmont (Mr. MacDonald), the hon. member for York South and the hon. member for Calgary North, indeed all members of the Conservative and New Democratic parties, continually ask: Where was the need for bringing forward the laws the government brought forward last fall—as if nothing had happened. I should like to quote an article written by James Stewart of the *Montreal Star* in which he wrote the following:

> Hardly anyone was prepared for the quantum jump in terrorism that electrified Quebec and all Canada in October 1970. Perhaps we should have been prepared. If you write down, one after another, all the deeds and declarations of the Front de Libération du Québec over the past seven years, you compile a catalogue of violence that recognizes no conventional limits.
>
> But it would be no more than a catalogue, a selection of half-forgotten products of seven years of blasting, robbing, and raiding by the FLQ in the name of Quebec independence and the global socialist revolution: seven people dead, many injured: a bomb planted, on the average, every ten days.

Imagine, Mr. Speaker, a bomb planted on the average every ten days over a period of seven years! I wonder how long the hon. member of Egmont would have tolerated bombs being planted every ten days by a group that put forward the idea that they were going to change the political system by violence in his province? It seems to me that in that province, the entire population of which is about the same as my constituency, the usual level of violence is a bit of drunkenness on a Saturday night. I wonder how long the hon. member would have tolerated a bombing every ten days over a period of seven years. Would he still have taken the position he has taken in this House today and over the past several months? These were not random bombings. These were bombings with a message. There were bombings with communication. These were bombings by people who said that they were out to change the social and political systems by violence.

Some hon. members have contended that research and investigation have revealed that only a few men were involved, a few guns, a few knives, a few cases of dynamite, and so on. That might be true. But I submit, Mr. Speaker, that you do not need too many men who are seriously committed to violence, who are seriously committed to the type of urban guerrilla warfare that we are seeing now around the world, to upset society com-

pletely. As a matter of fact, you can have situations where one man declares he is going to terrorize a society and who does terrorize society. This was done for a while in Boston by the Boston strangler.

When you have threats made by a group and you do not know how large the group is, and the group carries out its threats by bombing, by kidnapping and by murder, then I suggest it is the duty of the state to take measures to protect its citizens. The government of this country did take measures to protect its citizens, and I think that again this government will take measures to protect its citizens.

I find it somewhat strange that today the Conservative Party want to make the committee stand in judgment upon something for which that party voted last fall. They are now asking that the committee that it is proposed should study this matter stand in judgment upon a vote and a decision that they took last fall in voting for the regulations under the War Measures Act and in voting for the Public Order (Temporary Measures) Act. Now they are doing a bit of a flip-flop. I do not know whether they think the political winds have changed, but it is very difficult to understand their approach. It is my impression, with all the good faith in the world, that they are still trying to make politics out of what is a very serious issue, an issue which in my province is one of life and death.

The number of people that can terrorize a society, as I have said, can consist of a very small group. But I think we must realize that in addition to that small group committed to carrying out violence under the name of the FLQ there were also others who had great sympathy for what they were trying to do. Although they were not using guns, dynamite or other types of weapons, they were ready to assist those who were. Right now there are people on trial for doing just that, people who have helped hide those who were being pursued by the police, who built secret compartments in their homes and apartments and who helped find houses for the FLQ.

I would say that there were probably large numbers of people—I do not know how many—ready to support the FLQ if they were able to go further, and who are sympathetic to their cause. That is an unfortunate statement to make, but I think it is true. We have seen in Quebec over the last few years hatred and violence expressed in the city of St. Leonard, where there were very terrible riots. We have seen this violence at the St. Jean Baptist parades in 1968 and in 1969, where people were injured, property was damaged and riots broke out. We have also seen it at the march on McGill by thousands of people where, again, property and life were threatened.

• (9:50 p.m.)

Mr. Broadbent: Will the hon. member permit a question?

Mr. Allmand: Yes.

Mr. Broadbent: If the hon. member knows, will he reflect, in the context of his comments, upon the events that took place last week in Washington when several thousand people decided to virtually bring the government of that country to a standstill? That was the openly-declared purpose of the mass demonstration. The United States government did not declare a war measures act, or say that an insurrection was about to take place, although it might well have decided to do so, being faced with the threat of several thousand people who said they were going to bring the government to a standstill. That government used the normal process of law to arrest 7,000 people, keeping them incarcerated for a brief period of time and then releasing them. Would the hon. member, who is defending his government, compare its action with the actions of the government to our south?

Mr. Allmand: Mr. Speaker, I saw a film of what happened in Washington, and the events that took place there seemed to be peaceful. The men and women who went to Washington did not threaten to use violence. They declared in advance that they would not use violence. I think they conducted themselves in a very peaceful way, and I would have supported them. On the other hand, if you consider the St. Leonard demonstration and the riots that followed, the riots that took place during the police strike in Montreal and the riots that took place at other times in that city—

An hon. Member: All insurrections?

Mr. Allmand: The apprehended insurrection, as I said in my speech on the War Measures Act, constituted threats to carry out violence in order to destroy the constitution of the state—not by the traditional type of revolution with armed revolutionaries in the streets challenging the armed forces but by threatening terrorism, selective assassination, bombings and violence in an attempt to throw society into a state of imbalance in which people could no longer feel free to do the things one can do in a democratic state. Under these circumstances people might cease to stand for public office, cease to speak out as they might like, cease to govern in the province and cease to live in a province in which they were not free to do the things one can do in a democratic society.

You do not need a revolution in order to cause this type of atmosphere. All you have to do is establish a group which publicly declares it is going to assassinate, commit terrorism and bombings. This group in fact has carried out an average of one bombing every ten days over seven years and has caused the death of seven people. We must remember that the group which did this threatened the lives of two important people, one a diplomat and one a cabinet minister. At that time no one knew where the violence would stop. This government took strong action to see that nothing else happened, and I suggest that nothing else did happen because the government took that action.

Some hon. Members: Hear, hear!

Mr. Allmand: As a matter of fact, since last October we have had relative peace in Montreal and Quebec. Because we have had relative peace I was against the prolongation of the public order act. This is why I believe

now is the time we should together attempt to deal with this problem.

Some hon. Members: Hear, hear!

Mr. Allmand: I hope that the statements made by the hon. member for Calgary North and the leader of the New Democratic Party are not signs that they will not participate in seeking a solution.

Mr. Woolliams: What do you mean?

Mr. Allmand: I have the impression that the hon. member for Calgary North feels that the committee cannot accomplish anything because everything has been decided in advance. I tell him honestly that is not so. I suppose I could speak in this way for months and for years and never convince the official opposition and the NDP that there was a problem in Quebec. I suppose they might stick to their position forever and a day.

Mr. Bell: Why did you wait so long?

Mr. Woolliams: Why did you take seven years to do anything?

Mr. Allmand: This is the dilemma the opposition finds itself in. When the government does take action because the state is threatened or the threat becomes accelerated to a very high degree, members of the opposition criticize us. At the same time they ask us why we did not take action sooner. I assume they are asking why we did not take action in the way of introducing special measures as a result of bombings and other things. Do I understand from the position they take that they would have invoked the War Measures Act earlier, or adopted special legislation?

Some hon. Members: Oh, oh!

Mr. Allmand: It is difficult to understand the position of the opposition. I might be very happy if the hon. member for Calgary North, the hon. member for York South, the hon. member for Egmont and, in fact, all hon. members of the Conservative and New Democratic parties continue to make speeches of this type. I might hope that they will continue to do so until the next election. I might hope that they continue to press the points they are making today. I know they are sincere and will continue to do so.

I would invite the hon. member for Calgary North to an election meeting in my constituency. I hope he would then make the same type of speech he made in the House this afternoon. I am sure we will then find out who in Montreal and Quebec believe him when he tells them we do not need this type of legislation to deal with this sort of situation. We will discover those who believe him when he says there is nothing to be worried about in spite of the fact there were bombings on an average every ten days over a period of seven years, thefts of dynamite and the kidnapping of two men, one of whom was murdered. I might hope he would come and make this kind of speech, and I would hope that other members of the Conservative party would do likewise.

This is a serious issue. Not all of my colleagues are on the same side of the fence. This is a matter in which Parliament and the people of Canada should be involved. I hope there are enough people of good faith in the House who will look at this issue with a view to bringing forward the necessary legislation. After its meetings, the committee may come forth with the suggestion that our laws do not have to be changed. At least then we will have had a full examination and investigation of the problems and we will have had the opportunity of discussing the results of what happened last fall—

Mr. Deputy Speaker: Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

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

AIR TRANSPORT—HIJACKING—PARLIAMENTARY RATIFICATION OF HAGUE CONVENTION—AMENDMENTS TO CRIMINAL CODE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, many of us have had a long day today. I posed a question to the Prime Minister (Mr. Trudeau) regarding the Hague convention which related to illegal interference with commercial aircraft. As I understand the situation, Canada and other nations signed that convention and agreed that some form of law based on that agreement would be adopted by various nations making it a crime to illegally interfere with the normal operation of aircraft.

I asked the Prime Minister why the government had not asked Parliament to approve the convention agreed to by Canada. This agreement has not been presented to nor approved by Parliament.

• (10:00 p.m.)

From time to time I have asked the Minister of Justice (Mr. Turner) when he intends to bring forward a bill in respect of hijacking. He has said, frankly, that there are legal difficulties. I ask the Minister of Justice, who is in the House, what are those legal difficulties? My information is that the Prime Minister has never forgotten that he was Minister of Justice, and now that he is Prime Minister he has directed the Department of Justice to do nothing at this time. All I want to find out is who is running the Department of Justice, the Prime Minister or the Minister of Justice.

After one hijacking and one attempted hijacking in Canada surely it is time the government had the Hague convention approved by Parliament. Perhaps a bill could be presented along the lines of my private bill. I should like to hear from the Minister of Justice tonight. I should like him to tell us why he has been vacillating so far as this legislation is concerned. Is he once again to be controlled by the Prime Minister so far as the Department of Justice is concerned?

Canada is a signatory of that convention, and surely having signed it we should approve it and bring forward a bill to protect not only the pilots and personnel of the commercial airlines of Canada but all the passengers who use those airlines. That is the reason I brought forward this matter in the first place and prepared a bill in respect of hijacking. I drew up that bill along the lines of the terms and conditions contained in the convention.

If the Minister of Justice does not intend to introduce a bill himself, perhaps he would allow my bill to receive second reading and be referred to the committee for study. Then we would be able to come to grips with the problem. I make the prediction that if something is not done now, we may have a situation similar to the one we were discussing this afternoon and this evening. Something will happen in Canada, not only to the personnel of the commercial airlines but to the public using those airlines. Why does Canada not take the lead?

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, since Canada signed the Hague convention on December 16, 1970, the text of this new instrument as adopted at the Hague conference has been under study by the Department of Justice, the Department of Transport and the Department of External Affairs with a view to ascertaining what steps, including the enactment of domestic legislation, will be required to enable Canadian ratification. Because Canada will be accepting certain international responsibilities with respect to the treatment of aircraft hijackers when we become a party to the convention, it has been necessary to consider a number of legal implications which will affect Canadian criminal law once the convention comes into force for Canada.

The examination of this matter has shown that we would be in a better position to implement the convention if a specific offence of "unlawful seizure of aircraft"—hijacking—were to be created under the Canadian Criminal Code. This offence would conform to the definition set out in article 1 of the treaty as follows:

> Any person who on board an aircraft in flight:
>
> a) unlawfully, by force or threat thereof, or by any other form of intimidation, seizes, or exercises control of, that aircraft, or attempts to perform any such act, or
>
> b) is an accomplice of a person who performs or attempts to perform any such act, commits an offence (herinafter referred to as "the offence").

One of the most far-reaching provisions of the convention deals with the question of jurisdiction over hijackers. Section 5A of the Criminal Code gives Canada jurisdiction only over alleged offenders or offenders when the offence concerns a Canadian aircraft or a foreign aircraft which subsequently lands in Canada.

Article 4, paragraph 1(c) and article 4, paragraph 2 of the Hague convention require a contracting state to establish jurisdiction when the offence is committed on board leased aircraft and where the alleged offender is present in its territory—at any time—and it does not extradite him pursuant to other provisions of the convention. In order for Canada to undertake this obligation we must amend section 5(a) to extend the jurisdiction of Canadian courts.

The Department of Justice has under preparation, and shortly expects to introduce into Parliament, a number of amendments to the Criminal Code. At that time the amendments relating to the Hague convention will also be dealt with. When the relevant legislation has been passed, the major step which will enable Canadian ratification of the Hague convention will have been taken. Immediately following the enactment of such legislation, it is expected that the Secretary of State for External Affairs—

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary, but his time has expired.

Mr. Woolliams: If other members would consent—

Mr. Deputy Speaker: There is no provision in the rules to extend the time. The hon. member for Marquette (Mr. Stewart).

Mr. Béchard: Mr. Speaker, I thought we had ten minutes altogether.

Mr. Deputy Speaker: Order, please. The parliamentary secretary's time has expired. The hon. member for Calgary North (Mr. Woolliams) has been gracious in suggesting that it should be extended, but there is no discretion in the Chair to extend it. The hon. member for Marquette.

NATIONAL PARKS—RIDING MOUNTAIN—CLOSURE OF CHURCH CAMPS

Mr. Craig Stewart (Marquette): Mr. Speaker, on May 11 I questioned the Minister of Indian Affairs and Northern Development (Mr. Chrétien) on the government's decision to force the closure of six church camps in Riding Mountain National Park. I do not understand the government's policy that the leases to these six church camps will not be renewed after 1975. It is as confusing as most of the policies they have established for our national parks, particularly as they affect our parks in western Canada where space is no problem.

The member for Brandon-Souris (Mr. Dinsdale) and myself during the Easter recess met with representatives of the six denominations involved in the operation of these church camps. I can assure the minister that they are not happy with his decision after the time and effort that has been put forth in the last 30 years in developing these camps. In choosing a church camp it is extremely important that a location is chosen for urban children to receive the special gift of the revelations of nature; it is necessary for them to be in an unspoiled, undeveloped, isolated area. The present church campsites in Riding Mountain National Park fill this need.

The government will say that they have offered to relocate the church camps in one large, group camp. In view of the fact that the proposed relocation site offered the six denominations is a former prisoner of war camp, surely the government will alter its decision. By giving these six churches one unacceptable alternative the minister knows that he will force the eviction of these

church camps from the park. The government will say "Not to worry" because these closures will not take place before 1975, but everybody knows it is impossible to continue operation of the camps under this guillotine.

Surely the government realizes that one of these camps, the Anglican camp, is established as a memorial to those who gave their lives in World War II. Also, I understand that the churches have been advised that they will receive no reimbursement for their present camps and buildings. This is a most dictatorial attitude.

For several years the government has said that public hearings would be held in Manitoba to discuss national parks' policy. When are these hearings to be held? How much longer do the people have to wait? Let the government get the reaction of the people to the closing of these church camps, the proposed closing of the outdoor roller-rink at Clear Lake, the unbelievable increases in commercial assessments at Clear Lake that, through time, will close many businesses, and the many more controversial decisions being made for Riding Mountain National Park. I ask the government not to delay these public hearings any longer, so that the people will know what its intentions are.

• (10:10 p.m.)

The largest area of Riding Mountain National Park is in the federal riding of Marquette. Mr. Speaker, through you I personally invite the minister to be my guest and visit the park. I will show him the church camps he is forcing to close. Let him see first-hand how idiotic are the government's policies as they pertain to this park. A visit like that would give him a better understanding of the situation. I say to the government, allow these church camps to remain in Riding Mountain National Park. They are used and enjoyed by many western Canadians. If you want to establish new policies for national parks, make them effective when new parks are established but leave the present parks alone.

Finally, I would point out that the closing of these camps is another case of one hand not knowing what the other hand is doing so far as the government is concerned. Other departments of government are spending large amounts of money encouraging our youth to travel and see Canada. Youth hostels are being established all over the country. Yet we have the department responsible for our national parks forcing the closure of six church camps which will give our youth guidance and do more good than any government programs to date.

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, six private group camps are operated by church groups in Riding Mountain National Park. Agreements have been renewed with four of the organizations to continue occupancy of the lands until March 31, 1975, and similar renewals will be granted to the remaining two organizations.

At the present time, a number of organizations operate private group camps in our national parks. These organizations established camps in years when there were comparatively few visitors to our national parks. Due to the substantial increase in park visitation, it is no longer possible for us to accommodate all the demands from new organizations which would like to establish camps within national parks. Also, it has become necessary to plan the long-term recovery of parklands previously reserved for exclusive purposes of various kinds, and to make all facilities within the parks available to the general public with no special privileges and no exclusive use by any group or individual.

We recognize the need for careful testing to establish practical routines, procedures and programs for application in departmentally-controlled group camps. We anticipate, and hope to encourage, the interest of many worthy organizations that will be able to take advantage of public facilities which were previously reserved for exclusive use. The department recognizes a special responsibility on behalf of the young people of Canada. Consequently, we want to be absolutely sure that the resources for this purpose in our parks are adequate, properly administered and will in fact make it possible for many more Canadian youth to enjoy our parks now and in the future.

I would also mention that this summer a former army cadet camp in Riding Mountain National Park will be operated by the national parks service as a group camping facility, available to any organization wishing to take advantage of these resources. This project will be very carefully watched to make sure that this test of the proposed policy is as thorough and as objective as possible. While no assurance can be given that the agreements for the existing camps will be extended beyond 1975, there is no intention on our part to phase-out their operations until we are certain that we have a practical alternative that will serve the purposes we have in mind.

In conclusion, Mr. Speaker, I wish to thank the hon. member for the kind invitation he extended to the minister and I will transmit the invitation to him.

Motion agreed to and the House adjourned at 10.15 p.m.

HOUSE OF COMMONS

Friday, May 14, 1971

The House met at 11 a.m.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT AND COMMUNICATIONS

Third report of Standing Committee on Transport and Communications, in the two official languages—Mr. Lessard (LaSalle).

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

[*English*]

ORAL QUESTION PERIOD

LABOUR CONDITIONS

UNEMPLOYMENT AMONG YOUTH—INQUIRY AS TO NEW PROGRAMS TO MEET PROBLEM

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister a question based on the Dominion Bureau of Statistics figures on unemployment among young Canadians, which is now at the rate of 13.6 per cent actual and 12.3 per cent seasonally adjusted. In view of these figures, and bearing in mind the fact they are relevant for a period before the exodus of students seeking summer employment, is it the intention of the government to announce any new programs designed to meet the problem of summer unemployment particularly and unemployment among young Canadians generally?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, that is not our present intention. We never preclude the possibility of the government announcing new programs if and when they appear desirable, but we have no present intention of doing that. I might remind the Leader of the Opposition that some weeks ago we announced we were spending $57 million to meet this problem, which was considerably more than the few millions we had allocated last year, which was more than the zero of previous times. As the hon. member knows, the Secretary of State announced $10 million additional to the $57 million, bringing the total to $67 million for the summer months. We feel that this is a considerable improvement over all past programs.

Mr. Stanfield: I should like to ask the right hon. gentleman whether the figures that were released yesterday do not in fact indicate a much more serious condition than the government had anticipated, based upon all previous forecasts made by the Minister of Finance, and whether this does not create a new context in which the government ought to consider the problem of summer employment and employment for young Canadians generally?

Mr. Trudeau: It does, Mr. Speaker, and as the Minister of Finance said yesterday we are concerned about the new figures released yesterday. We shall be looking very closely to see whether they indicate a change in the favourable trend that has been established since last September. But I must guard the opposition, who supported not only the $10 million that the Secretary of State announced a few days ago but indeed said the amount should be more, against the danger of concentrating only on the young and failing to realize that there are a lot of heads of families in Canada who must also be thought of. Therefore, with the naturally not unlimited resources of the country we must not only think of spending money on the young people, as the opposition seem concerned to do.

Mr. Stanfield: We will have the figures for longer term employment within a few days and the government has to accept responsibility for them as well as those for our youth. I should like to ask the Prime Minister whether he would not reconsider the imposition of an additional portfolio on the Secretary of State, who is responsible for implementing the program of summer employment for students? Would he not relieve the minister of that responsibility in view of these alarming figures, or does the Prime Minister believe that the additional responsibilities imposed on the minister will not interfere with the implementation of this program any more than the writing of a book by the minister interfered with the development of the program originally?

Mr. Trudeau: I will certainly consider that, Mr. Speaker, but I wish that the opposition would consider passing the government organization bill which would permit us to name additional ministers.

Mr. Woolliams: That would not help.

Mr. Trudeau: Mr. Speaker, I do not easily see how the opposition can argue, on the one hand, that the government is trying to establish too many ministries, talk about a pork barrel and try to defeat the organization bill and, on the other hand, suggest we should establish today a new ministry for youth, the other day a new ministry for women, and the day before a new ministry—

Mr. Speaker: Order, please.

Mr. Baldwin: On a point of order, Mr. Speaker, as usual the Prime Minister misrepresents the position. He

knows that the opposition has offered to co-operate on the government organization bill provided the House of Commons is given the final word. Once that is done the Prime Minister can proceed as fast as he is able to.

Mr. Trudeau: On the point of order, Mr. Speaker—

Mr. Speaker: Is the right hon. gentleman rising on the same point of order?

Mr. Trudeau: Yes, Mr. Speaker. That bill has been before the House since the month of December, and I hardly call it co-operating when they stall the passage of the bill until well into late spring.

Mr. Baldwin: That's a lie.

Mr. Trudeau: Mr. Speaker, I have been told that is a lie. I should like the hon. member to explain.

Mr. Baldwin: I will not withdraw. It is a lie.

Mr. Trudeau: I am not asking you to withdraw, I am asking you to explain what the lie is.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I am not sure what the exchange was between the hon. member and the Prime Minister.

Mr. Trudeau: I will tell you, Mr. Speaker. The hon. member said it was a lie and that he will not withdraw. All I want to know is what the lie is.

Mr. Speaker: Whatever the hon. member for Peace River said did not come to the Speaker's ear. The right hon. gentleman tells me that the hon. member for Peace River used words which are clearly unparliamentary. I did not hear them so I am not sure whether he said them. It is difficult for me to charge him with having uttered certain words when I did not hear them.

Mr. Baldwin: Mr. Speaker, the Prime Minister charged the opposition with certain tactics. The charge is not correct and I said that was a lie. That was the statement I made.

Mr. Speaker: Order, please. The hon. member for Peace River knows as well as I that he cannot say that. The hon. member holds a very responsible position in the House and I think he has to accept that responsibility. I would say there is a very heavy onus on him to respect the rules and traditions of the House. I should think that the hon. member for Peace River would want to take that into account and perhaps say that the words he used went beyond his thought. The hon. member knows that the word "lie" cannot be used. The matter is as simple as that. If a member of this House who has the responsibility held by the hon. member for Peace River is allowed to use such language, I am not sure whether there is any purpose in going on at all.

Mr. Baldwin: Mr. Speaker, I shall withdraw the word and substitute the words "terminological inexactitude".

Mr. Speaker: I thank the hon. member. I was sure he would appreciate the position. The words used now are much better so far as the Chair is concerned and the Standing Orders and the traditions of the House. I have recognized the hon. member for Winnipeg North. I realize there are a number of supplementary questions and if hon. members will be patient they will be recognized in due course.

PLANS TO PROVIDE WORK FOR THOSE UNEMPLOYED MORE THAN SIX MONTHS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a supplementary question to the Prime Minister along the lines to which he alluded in his reply to the Leader of the Official Opposition. In view of the fact that the number of people who have been employed for six months or more has risen from 78,000 in April of last year to 152,000 in April of 1971, an increase of almost 100 per cent, is the government giving consideration to new plans in order to find work for these people who are really suffering as a result of the government's policies of restraint?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I have nothing to add to what the Minister of Finance and myself said yesterday.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

SIGNING OF AGREEMENT RESPECTING DEVELOPMENT OF EASTERN QUEBEC

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask a supplementary question.

Mr. Speaker: The hon. member for Joliette wishes to ask a supplementary question.

Mr. La Salle: Mr. Speaker, along the same line, I would like to ask the Prime Minister whether he would elaborate on the statement made by the Quebec Minister of Municipal Affairs the day before yesterday to the effect that for the past 10 months he had been waiting for the federal government's signature concerning the development program for eastern Quebec?

Because of the unemployment situation now prevailing in Quebec, would the Prime Minister tell the House when the government will be in a position to sign this agreement which might help improve the situation?

Right Hon. P. E. Trudeau (Prime Minister): If the hon. member would specify which agreement, Mr. Speaker, I shall attempt to give an answer but I am not aware of what he is talking about.

Mr. La Salle: Mr. Speaker, may I say that I refer to the eastern Quebec development program, cost of which has initially been established at $250 million and which, according to the Quebec Minister of Municipal Affairs would now reach $350 million. Apparently they are still awaiting the signature of the federal government.

Mr. Trudeau: Mr. Speaker, there is certainly a mistake. An agreement does exist providing for an eastern Quebec development program, which we signed a little over two

years ago. Credits will be available as soon as the province of Quebec manages to agree with the federal government as to the adequate manner of spending the funds.

As far as dates are concerned, information should be requested from the Minister of Regional Economic Expansion, who is in charge of that part of the program.

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[*English*]

WELFARE

ASSISTANCE TO CITIES TO MEET PAYMENTS—INCREASE IN PAYMENTS TO OLD AGE PENSIONERS

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, my question has to do with the cities and the unprecedented burden placed upon them as a result of rising unemployment which has in fact caused the number of people on the welfare rolls to increase at an accelerated rate. Since I understand the Prime Minister accepts responsibility for the high unemployment, is he now in a position to advise the House whether he has changed his mind in terms of assisting the cities and provinces to meet this very significant set of facts?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are still trying to get the opposition to consent to the passage of the organization bill so we can establish a ministry responsible for housing and urban development. I hope they will get on with the job.

Mr. Alexander: Mr. Speaker, I wonder whether at this particular time the Prime Minister would direct the minister in charge of housing to call at his early convenience a tri-level conference, as was undertaken recently, in order that the cities can come together again with the minister's colleagues from the provinces so they can all sit down together to see whether they can solve the problem in the very near future and place a lot more Canadians back at work?

Mr. Trudeau: Mr. Speaker, the Minister without Portfolio is perfectly able to do these things if required without direction from me, but he will do them all the more efficiently if he is provided with the tools to do it by the opposition which has been preventing the passage of the bill.

Mr. Baldwin: On a point of order, Mr. Speaker, the government House leader and I and the other House leaders have been trying to negotiate and discuss ways and means by which this bill can be passed. Certainly these improper and incorrect interventions by the Prime Minister do not assist negotiations of this kind.

Mr. Trudeau: That is a lie.

Mr. Speaker: The hon. member for Témiscamingue.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, may I put a supplementary question?

[*English*]

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: Order, please. Would the hon. member kindly resume his seat.

[*Translation*]

I apologize to the hon. member for Témiscamingue. I shall recognize him in a moment.

[*English*]

The hon. member for Calgary North rises on a question of privilege.

Mr. Woolliams: Mr. Speaker, just a few minutes ago an objection was made by the Prime Minister and by you, Sir, with reference to the use of unparliamentary language. Now the Prime Minister has said to the House leader on this side, "It is a lie".

Mr. Trudeau: Right.

Mr. Woolliams: I would think that in his responsible position he should withdraw those words. He has been guilty of other kinds of unparliamentary language for a long time.

Mr. Speaker: Order, please. The Chair, of course, is in the same position at this time as it was a moment ago when the Prime Minister reported that the hon. member for Peace River had used an unparliamentary word and the hon. member for Peace River was gracious enough to recognize that and change his language. As I say, now I am in the same situation. I did not hear the exchange which took place between the right hon. gentleman and someone else, but if the Prime Minister has spoken that word certainly he also is in the same position as the hon. member for Peace River and should alter his language.

Mr. Trudeau: Yes, Mr. Speaker, I did use the word and I used it in the same sense as the House leader of the Official Opposition used it which, as you know, means something else.

Mr. Speaker: Order, please. I of course cannot agree.

An hon. Member: That is not a withdrawal.

Mr. Speaker: I suggest, with great respect and kindness to all hon. members and to the right hon. gentleman, that the task of the Speaker is difficult enough and that task should not be made more difficult. We are dealing, after all, with the use of words but there are traditions which must be respected. Again, as I say, the hon. member for Peace River made it possible for the Chair to accept a correction. I think the words he used were "verbal inexactitude". I am not sure whether I am using the exact words. However, there are some words we all know which should not be used because we have to respect the word of every member. It is unfair and unparliamentary and wrong in many other ways—

An hon. Member: Remember there are children in the gallery.

Mr. Speaker: —to accuse any other hon. member of a deliberate falsehood, which is what telling a lie is. I would hope that the Prime Minister would make a cor-

rection in the same way as the hon. member for Peace River and other hon. members have done in co-operation with the Chair in the past.

Mr. Trudeau: Mr. Speaker, there is no problem at all. I really want to co-operate with Your Honour. When I used the word "lie", I repeat I used it in the same sense as the House leader of the Official Opposition.

Some hon. Members: Withdraw.

Mr. Trudeau: I understand that he says it is a—I stumble a little over the word—terminological—

An hon. Member: The Prime Minister did not stumble over fuddle-duddle.

Mr. Trudeau: What I meant is that he used the words "terminological inexactitude", Mr. Speaker.

Mr. Baldwin: We understand each other now.

Mr. Speaker: Order, please. I am not sure whether that is exactly what I would have liked the right hon. gentleman to do. I would think he has gone half way, but I would have liked him to follow the good example set by other hon. members who normally are prepared to co-operate with the Chair.

Mr. Alexander: Mr. Speaker, may I ask a last supplementary question. I do not intend to become involved in a confrontation with the Prime Minister, but I think he continually drags red herrings into very important topics.

Mr. Speaker: Order, please.

Mr. Alexander: I say this seriously.

Mr. Speaker: Order, please. The hon. member has the floor at this point but not to make the situation worse. It is bad enough now. I would hope that hon. members would limit themselves to questions. Yesterday there were so many points of order and questions of privilege during the 40-minute question period that a number of hon. members—I noticed the hon. member for Red Deer in particular—did not have a chance to ask their questions. If we pursue these points of order and questions of privilege, we shall again be placed in the same situation. I will recognize the hon. member for Hamilton West for one more supplementary, and then I will recognize the hon. member for Témiscamingue.

Mr. Alexander: Thank you, Mr. Speaker. I will continue to be responsible.

Some hon. Members: Oh, oh!

Mr. Alexander: Since the cost of living index has been removed as a factor in old age security payments, I wonder whether the Prime Minister, in view of the fact that inflation is continuing and rising and is undoubtedly affecting these payments, would seriously reconsider the removal of the cost of living index factor from these payments in order that we may give some relief to our needy senior citizens?

[Mr. Speaker.]

Mr. Trudeau: Mr. Speaker, I apologize, but I missed the first part of the question. I assure the hon. member that I will read it in *Hansard* and see if I can provide an answer.

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[*Translation*]

LABOUR CONDITIONS

EFFECT OF PASSAGE OF BILL C-207 IN FIGHTING UNEMPLOYMENT—CO-OPERATION OF PRIVATE INDUSTRY IN PROVIDING JOBS FOR STUDENTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, now that the children have finished playing, I should like to put a supplementary question to the Prime Minister.

Since he has been saying for some time now that adoption of the bill enabling the government to create new departments would solve the economic crisis in Canada, I would like to ask him how this would effectively help the fight against unemployment in Canada?

My second question is: Is the government receiving all the co-operation needed now from private enterprise across Canada to find summer jobs for students?

Right Hon. P. E. Trudeau (Prime Minister): As regards the first part of the question, Mr. Speaker, I must tell the hon. member that were he less busy making clever remarks, he would have grasped a little better what I said.

As regards the second part, Mr. Speaker, the co-operation of private enterprise was requested and, to the extent it is granted, we are satisfied.

[*English*]

UNEMPLOYMENT—INCLUSION ON AGENDA OF FORTHCOMING FEDERAL-PROVINCIAL CONFERENCE

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is supplementary to the original question asked by the hon. member for Hamilton West. With respect to the very crucial problem that faces not only urban centres but the provinces as well, I wonder whether the Prime Minister, in view of his imminent departure, has made any arrangement to meet the requests of the Prime Minister of Ontario and others that unemployment be included on the agenda of the forthcoming federal-provincial conference.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I told the Prime Minister of Ontario, and I propose to put it to the other provinces, that if they wish to prolong the stay in Victoria we are quite prepared to do so and discuss unemployment or any other matter. I want to impress on everyone, however, that the task which we have set ourselves to achieve in Victoria is essentially the constitutional one. I am trying to get agreement that we will give priority to this to make sure that any other subjects we want to discuss will be discussed after the end of the constitutional debate.

[*Translation*]

CANADIAN CONSTITUTION

QUEBEC—ALLEGED REFUSAL OF PROPOSED AMENDMENT FORMULA

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to ask the Prime Minister a question regarding his recent statement concerning the amending formula of the Canadian constitution.

He said he was confident that all provinces would accept the formula, but since Quebec's premier, Mr. Bourassa, said that this formula was unacceptable, would the Prime Minister clarify this situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I think the hon. member is misquoting Mr. Bourassa. I would like to know where he said that this formula was unacceptable.

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[*English*]

LABOUR CONDITIONS

UNEMPLOYMENT—DISCONTINUANCE OF ASSISTANCE TO PEOPLE MOVING TO CITIES FROM RURAL AREAS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the high unemployment figures and the low rate of economic development within the Canadian economy, will the government call off, at least for the immediate future, the program of depopulation of the rural sector as set out in the paper "Agricultural Adjustment or Development Policy for Canadian Agriculture" of March 8 this year?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the hon. member should know that this is not the kind of thing you call off. People have been moving from the rural areas of Canada to the cities for more than a generation now. The aim of the government is to make sure that this movement, this abandonment of certain rural areas, is not met with the hardships it would be met with if there were no government program or assistance to help to do this. It is not the government that decided that the Canadian population should move toward a higher concentration in the cities. As the hon. member knows, this has been happening for generations.

Mr. Gleave: Mr. Speaker, may I direct a supplementary question to the Minister without Portfolio in charge of housing. Has the minister been consulted by his colleague, the Minister of Agriculture, in regard to the impact of the proposed agricultural adjustment or development program on the urban sector of the economy in respect of housing and job opportunities?

Mr. Speaker: Order. The hon. member's question is not phrased correctly. The hon. member asks whether a minister has been consulted by another minister. That is not a question which is acceptable from a procedural standpoint.

Mr. Gleave: Mr. Speaker, may I rephrase the question. Is the Minister without Portfolio in charge of housing a

party to this total policy, or has he been consulted in regard to this total policy that is under review?

Mr. Speaker: Order, please. The Leader of the Opposition.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the fact that a few moments ago the Prime Minister was emphasizing that the aim of his government was to avoid undue difficulties for those who have to move from the countryside to the towns, I would like to ask him whether this explains the great efforts he has been making to maintain full employment in the cities?

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[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, since the latest unemployment figures still show an increase in the number of unemployed, I would like to direct a question to the Minister of National Defence.

As war solved the unemployment problem in Canada in 1939 and as the government is unable to fight unemployment, does the minister intend to increase the armed forces for this purpose?

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[*English*]

MANPOWER

SPECIAL PROGRAM TO ASSIST THOSE UNEMPLOYED FOR MORE THAN FOUR MONTHS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. In view of the fact that 40 per cent of the Canadians who are unemployed have been unemployed for more than four months and that most of these are middle-aged Canadians still raising families who have not had the technical training needed for the present day and age, is there any special program planned by his department to try to assist these Canadians?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I think the hon. member is fully aware of the many programs which are designed to assist these and all Canadians who have unemployment difficulties, including the placement services and the training and upgrading facilities when those are logically the right move for the particular individual in question. These are all available, and of course the manpower offices throughout the country are doing a very full job in attempting to place the available people in the jobs that are available.

Mr. Lundrigan: In view of the fact that officials of the Department of Manpower in the Ontario region and the Atlantic region have described the April unemployment rise "as some sort of a freak caused mainly by the severity of the winter and the lateness of spring," and in view of the fact that spring was at least a month early in the Atlantic region, can the minister say if this is the official position of his department so far as an explana-

tion of the unusual increase in April unemployment is concerned, and was any directive given to these manpower offices to come up with this kind of explanation?

Mr. Lang: Mr. Speaker, no direction was given to them whatsoever. This is simply a reflection of their reactions as men who are fully aware of conditions around them. They saw conditions generally in the country improving. Therefore when attempting to explain the figures for the week ending April 17 they noticed, for instance, that the opening of the St. Lawrence Seaway was one of the latest on record, the snow stayed on the ground longer than usual—

Some hon. Members: Oh, oh!

Mr. Lang: —and in this way many factors may have contributed to the fact that there were only 51,000 new jobs in that month when we ordinarily would have expected many more. We naturally hope these will show up in the next set of figures.

Mr. Lundrigan: Mr. Speaker—

Mr. Speaker: Order, please. Again we have to try to proceed in an orderly fashion. We have about ten minutes left before the end of the question period and we should try to limit supplementary questions to individual members. If the hon. member for Gander-Twillingate will allow me, I shall recognize the hon. member for Annapolis Valley on a supplementary.

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COMMUNICATIONS

APPOINTMENT OF PERMANENT MINISTER

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, this question is really related to an answer of the Prime Minister—I was going to ask him the question in another way—to the Leader of the Opposition and his reference to the government reorganization bill being held up and preventing government reorganization. Is it fair to conclude from his remarks that, notwithstanding the fact that we have a Department of Communications and had a Minister of Communications, he is going to wait until the government reorganization bill is passed before he puts a separate minister in charge of the Department of Communications, or is that department going to reside permanently in the hands of the Secretary of State?

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands.

Mr. Nowlan: On a supplementary—

Mr. Speaker: Order, please. The Chair will allow the hon. member a supplementary and then try to move on.

Mr. Nowlan: Mr. Speaker, since the Prime Minister seems to be in a very receptive frame of mind today I am going to be in a very positive frame of mind too. When he makes his trip to Russia, will he investigate whether culture and communications are a positive or negative thing in so far as developing unity in a country is concerned?

Mr. Ryan: Mr. Speaker—

Mr. Speaker: Order, please. I hope the hon. member is not suggesting that he is going to ask a question supplementary to the one which has just been asked. The hon. member for Nanaimo-Cowichan-The Islands.

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LABOUR CONDITIONS

PROGRAM TO ASSIST UNEMPLOYED HEADS OF FAMILIES—ASSUMPTION OF LARGER SHARE OF WELFARE COSTS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, a few moments ago the Prime Minister said the government must consider not only the needs of unemployed youth but also the heads of families. I want to ask the Prime Minister what the government proposes to do about heads of families who are unemployed. Since well over 350,000 of the unemployed have been unemployed for more than four months and many of them have used up their unemployment insurance benefits, and since the only recourse left is for them to go on welfare, what program does the government have in mind to help the heads of families who are unemployed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this question was dealt with yesterday by the Minister of Labour.

Mr. Douglas: Mr. Speaker, since the Minister of Labour did not deal with the question any more than the Prime Minister has, and since the only alternative for these people seems to be to go on welfare, does the Prime Minister intend, at the forthcoming Prime Minister's conference, to discuss with the provinces the possibility that the federal government will assume a larger share of the welfare costs as long as unemployment is above a stated figure?

Mr. Trudeau: Mr. Speaker, if the hon. member will recall the decision of the February conference he will remember that there was a request by the first ministers to have the welfare ministers report to them at the June conference, and this will be done.

UNEMPLOYMENT—REQUEST FOR STATEMENT ON TAX REFORMS AND REDUCTIONS

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, the Prime Minister has talked about his feeling for the heads of families and I have listened to his answers in reference to programs. In light of the increasing unemployment in manufacturing and related industries—they employ, of course, heads of families—is the government going to or is it prepared to make a specific statement of intent with regard to tax reforms and reductions in order to stimulate and expand the economy now?

Right Hon. P. E. Trudeau (Prime Minister): This is the kind of thing that is done in the budget, Mr. Speaker,

and we will bring it down as soon as we feel it is appropriate.

Mr. Woolliams: With all his feeling for the heads of families, does the Prime Minister feel that they can wait a month for this government to bring in a budget?

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[*Translation*]

HOUSE OF COMMONS

STUDY OF NEW FORMULA TO LIMIT DEBATE

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Would he tell us if he has studied the new formula concerning the duration of the debates that the Quebec government has put into effect this week? In order to ensure greater efficiency here in Parliament, would the Prime Minister consider, with the opposition parties, the adoption of a similar measure, which would be in the best interests of Canadians?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe the question is rather timely. However, the hon. member will recall that we tried, over a year and a half ago, to introduce measures restricting the duration of debate with the consent of the opposition parties. I must say that all our efforts to obtain the consent of the opposition parties to limit the length of debates under Standing Order 75 were of no avail.

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[*English*]

INQUIRY OF THE MINISTRY

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister and I want to assure him that it is apart from the government reorganization bill. In the proposed cabinet shuffle and the resultant vacancy, can the Prime Minister indicate which department of government will become vacant?

Mr. Speaker: The hon. member for Swift Current-Maple Creek. Does the hon. member wish to ask a supplementary? The hon. member for Cape Breton-East Richmond.

Mr. MacInnis: Mr. Speaker, I will put my supplementary in a way which I hope the Prime Minister will understand. What department of government does the government intend to give to the by-election candidate in Nova Scotia as minister of that department?

Mr. Speaker: Order, please. This question is obviously out of order.

Mr. MacInnis: Mr. Speaker, I rise on a question of privilege. The privilege, Mr. Speaker, comes very close to the word just ruled out when it was made quite clear by Your Honour that the word "lie" is not to be used in the House of Commons. I do not want to use the word "lie" in the sense that I am directing it at any one individual, but I would say to the Prime Minister that it is time he took hold of the Liberal party and stopped them from using the big lie technique of advertising candidates as ministers-elect.

Mr. Baldwin: That is misleading because they will never be elected.

Mr. Trudeau: A terminological inexactitude.

An hon. Member: It will ruin the candidate.

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ROYAL CANADIAN MOUNTED POLICE

PURPOSE OF INQUIRY INTO DROPPING OF LITERATURE PROTESTING AGAINST BILL C-176 FROM AIRPLANE

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, on Thursday last I directed a question to the Minister of Justice in the absence of the Solicitor General. I see the Solicitor General in the House today. I wonder whether he could answer the question which was as follows:

> What was the reason or purpose of the RCMP inquiry into the procedure used by western ranchers and farmers of dropping literature from an airplane protesting against Bill C-176 at several rural points in southeastern Alberta?

I hope the minister received that question from the acting minister.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Yes, Mr. Speaker, and I thank the hon. member, but I think that the question should be put to the Attorney General of the province involved.

[*English*]

Mr. McIntosh: Mr. Speaker, the minister has had time to look into the question. I should like to inquire why it should be directed to the Attorney General of the province? I thought the Solicitor General's department had control over the Royal Canadian Mounted Police.

[*Translation*]

Mr. Goyer: Mr. Speaker, of necessity we have contracts with the provinces in connection with the services of the members of the RCMP, and while those members are bound by contract, they are under the direct jurisdiction of the Attorney General of the province concerned.

I think that the case raised by the hon. member comes under the provincial authorities.

[*English*]

Mr. McIntosh: Mr. Speaker, I would ask the Solicitor General to give me an assurance that this inquiry was not originated by the federal government.

[*Translation*]

Mr. Goyer: Yes, I can give that assurance, Mr. Speaker.

Inquiries of the Ministry

[*English*]

MANPOWER

ALLEGED DISCRIMINATION AGAINST WOMEN IN TRAINING PROGRAMS

Mrs. Grace MacInnis (Vancouver-Kingsway): Thank you, Mr. Speaker. I was beginning to be afraid I would never catch your eye.

Some hon. Members: Oh, oh!

Mrs. MacInnis: I should like to direct my question to the Minister of Manpower and Immigration. In view of the fact that the labour statistics show that women are bearing a disproportionate share of the increase in unemployment—

Some hon. Members: Shame!

Mrs. MacInnis: —will the minister discontinue the present discrimination against women in the training programs under his jurisdiction?

Some hon. Members: Shame!

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I do not accept that there is discrimination. The programs available in the department are available on principles which apply equally to men and women. In each case an attempt is made to offer training to those who will be most helped by it toward finding jobs which may be available at the end of the training period.

Mrs. MacInnis: May I inquire why it is that so many more men are judged to be helped by training courses than women?

* * *

FINANCE

SUGGESTED REPLACEMENT OF DEPARTMENT BY SUPER MINISTRY

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, may I direct a question to the right hon. Prime Minister. In doing so I assure him that we are all aware that he is as concerned as all of us about the deepening unemployment and inflation crisis. In view of this situation, has the government considered replacing the Department of Finance with a sort of super ministry, for example, a committee composed of successful, experienced, practical people who would be responsible for co-ordinating all economic decision-making in the government?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I understand this is the type of man who is running for the Liberal party in Nova Scotia in the by-election.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Cape Breton-East Richmond—I believe the hon. member for Lambton-Kent has a supplementary.

[Mr. Goyer.]

Mr. McCutcheon: Mr. Speaker—

Mr. MacInnis: On a question of privilege—

Mr. Speaker: Order. I apologize to the hon. member, but the hon. member for Cape Breton-East Richmond is rising on a question of privilege.

Mr. MacInnis: They never seem to learn, Mr. Speaker, they keep walking into it. My question of privilege arises from the fact that the Prime Minister has violated the rules of the House by answering a previous question when another member has asked a different question altogether. He took the opportunity to refer to my previous question. I will now ask him to take a good hard look at his cabinet and especially the Minister of Consumer and Corporate Affairs and find out from that minister why he is allowing this false advertising to go on.

Mr. Speaker: Order, please. The hon. member for Lambton-Kent may ask a supplementary, but I point out that there is only one minute remaining in the question period. I will then recognize the hon. member for Greenwood.

Mr. McCutcheon: Mr. Speaker, I am sure the Prime Minister did not understand my question when I asked him about a committee. I am sure it is not a committee that is running in Nova Scotia.

An hon. Member: You never know; it may be.

* * *

IMMIGRATION

REPORTED SMUGGLING OF ITALIANS INTO UNITED STATES FROM CANADA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Minister of Manpower and Immigration. Is he planning to investigate or has he investigated the allegations that large numbers of people of Italian origin are entering Canada as visitors and then, at high prices, are being smuggled into the United States to be exploited there?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, of course the question of people entering Canada for a purpose other than that stated at the time of entry and a purpose which is therefore not fully legitimate is always of concern to us. We are always watching the matter and examining ways of improving our procedures in this connection. We also have some special investigations in hand in connection with some recent allegations.

Mr. Speaker: Orders of the day. Order, please. We have a few points of order before we go on with the business of the House. The hon. member for Hamilton West.

Mr. Alexander: Mr. Speaker, my point has reference to the answer given by the Prime Minister. He will be leaving the country shortly—

An hon. Member: To Russia with love.

Mr. Alexander: —And I know he is concerned about our senior citizens. Since inflation is eating up the old age security payments to our senior citizens, I wonder whether the Prime Minister would give serious consideration at this time to replacing the cost of living index—

Mr. Speaker: Order, please. I suggest to hon. members that this is an abuse of the rules of the House of Commons. Since The Standing Orders provide 40 minutes for the question period, an hon. member should not be given an opportunity to ask a question under the guise of a point of order. He should wait until the next sitting day. If on questions of privilege or points of order an hon. member asks a question after the period has expired, it is unfair to other hon. members when they are not recognized. Why should this not also apply to the other five or ten hon. members who have not had an opportunity to ask a question? I really think this is not a legitimate point of order. I respectfully suggest the hon. member that I should not be required to rule on the point in any event.

Mr. Alexander: I rise on a question of privilege. With respect, the only reason I rose is that the Prime Minister indicated he would look at *Hansard* to see what my question was and then give me the answer. The Prime Minister is going abroad. I did not mean to breach the rules, but I thought I would ask him the question in order to get an answer before he leaves the country.

Mr. Ryan: I rise on a point of order, Mr. Speaker. I respectfully draw to Your Honour's attention that I have risen many times in my place for three days and have failed to be recognized. I trust that this position will be recognized.

Mr. Speaker: I apologize to the hon. member. He knows that I have tried to recognize him. If the hon. member will look at *Hansard* for the past month or so, I feel that he will see that he has had his fair share of questioning time. I believe that very sincerely.

Mr. Lundrigan: I rise on a point of order, Mr. Speaker, related to the point raised two days ago in regard to the length of the question period. This morning the Prime Minister was made aware of an official representation that he should discuss the Atlantic fishery when he visits the Soviet Union. The hon. member for Humber-St. George's-St. Barbe was about to raise that question with the Prime Minister today, but the question period expired before he had an opportunity to do so. As a result, the Prime Minister will not have had an opportunity to respond before leaving for the Soviet Union as to whether he will accept the representation officially made to his office to discuss the Atlantic fishery. In view of the fact that other members have raised a similar question, this is an appropriate time to ask if the House leaders and Your Honour will consider extending the question period beyond 40 minutes, in view of the fact that the serious unemployment crisis is taking up most of the question period, so that members may have a chance to ask their questions.

Mr. Speaker: Order, please. I understand the request of the hon. member. He is suggesting that the House agree. But that is not a decision for the House leaders, or for the hon. member or the Chair to take. If hon. members are unanimously agreed to ask questions and receive answers all day, that is their privilege, but it has to be unanimous. That is the only way the Standing Order can be amended. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent. As the hon. member knows, this is the only way that the question period can be extended. If hon. members wish to change the rules in order to have a longer or a shorter question period, as the case may be, it would have to be done in the usual way, that is, by a motion after the 48 hours notice as required by the Standing Order, or by means of a recommendation from the Standing Committee on Procedure and Organization, to which hon. members may want to give some thought. Orders of the day.

GOVERNMENT ORDERS

PRAIRIE GRAIN STABILIZATION ACT

PROVISION FOR PAYMENTS TO WESTERN CANADA PRODUCERS IN YEARS WHEN RECEIPTS BELOW FIVE-YEAR AVERAGE

The House resumed, from Monday, May 10, consideration of the motion of Mr. Lang that Bill C-244, respecting the stabilization of prairie grain proceeds and to repeal or amend certain related statutes, be read the second time and referred to the Standing Committee on Agriculture.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I welcome this opportunity to present my views on Bill C-244 or what is commonly referred to as the prairie grains stabilization act. Before doing so, I would like to compliment some of my colleagues from western Canada, including the hon. member for Vegreville (Mr. Mazankowski), the hon. member for Crowfoot (Mr. Horner), the hon. member for Battle River (Mr. Downey) and the hon. member for Mackenzie (Mr. Korchinski), for their very comprehensive review of this bill. They have expressed many of the opinions to which I would have referred, but I will not bore the House by repeating them.

The proposal to introduce this legislation was first brought to the attention of the House on October 29, 1970, when the minister responsible for the wheat board released a 20 page brief to members and the public entitled "Proposals for a Production and Grains Receipts Policy for the Western Grains Industry". The reception of these proposals by western farmers has been very cool, to say the least. After their experience with the Lift program, the present difficulties which the government is

encountering with Bill C-176 on marketing and production, the long, dragged out hearings and amendments to Bill C-175, an act respecting grain, and a further piece of controversial legislation now on the order paper entitled "An act to amend the Canadian Wheat Board Act", it is little wonder that farmers are looking with a jaundiced eye at all of the present government's agricultural policies and wondering what is coming next. Bill C-244 is no exception. It leaves unanswered more questions than it answers.

Generally speaking, everyone in Canada should be in favour of a stabilized farm income and a viable farm industry. It has always been a well recognized economic fact that if agriculture, the second most important industry in Canada, is in a healthy state, the whole Canadian economic scene is above par. In reading this bill for the first time, it almost appears that the government's proposals are to stabilize farm income at a poverty level due to the criteria used in the three to five year averages of previous crop years immediately preceding the proposed stabilization payments. One only has to look at the low income of grain farmers to appreciate the point that I am making. Of course, this formula does not take into account the ever accelerating input costs such as high interest, higher taxes, higher living costs, machinery and fuel costs, labour costs, etc., plus the extra financial burden of farm grain storage costs that are bound to arise with the government's proposals for the storage of more grain on the farms.

The original plan of last October was to place this legislation before the House much earlier and to have $100 million in the hands of western farmers early this spring to help compensate for the very low cash income over the past several years due to lower sales of grain at lower prices. The program is quite late. We in the opposition have suggested several times that the $100 million acreage payment, which is so greatly needed, be made available to farmers at once. The House, and representative farm organizations, would then have time to examine Bill C-244 in committee and suggest amendments that would make this a much better piece of legislation; but no, the government would rather use this $100 million as a bribe or political blackmail to try and push this bill, with all its faults, through the House at once. In other words, we should take the bitter with the sweet. The minister responsible for this legislation has already lost credibility by crying wolf just as we started to examine this bill. He tried to accuse the opposition of obstruction in a release to the press.

Many farmers to whom I have spoken feel that the present plan of income stabilization is an illusion or a political mirage. In fact, this is the way Mr. Roy Atkinson, head of the National Farm Union, described the bill. He suggested, as did opposition members, that the $100 million be divorced from the bill and paid out at once to compensate for the recent shortfall of farm income. Then, we could go on from there to examine the bill more closely.

The Canadian Federation of Agriculture presented a brief to Members of Parliament on May 7, 1971, on Bill C-244. After reviewing it closely, I find that it corresponds very closely with my present opinion on the bill. I would like to read some excerpts from that brief. I might say that I do not always agree with the philosophy of the Canadian Confederation of Agriculture as it affects western Canada because this organization is Canada-wide. Sometimes its viewpoint is directed more toward the benefit of other segments of society than the members of the agricultural industry. But in this case it reflects the views held by most western farmers and also the views, I might be permitted to suggest, of the Saskatchewan Wheat Pool. The Federation of Agriculture has this to say:

• (12 noon)

> Bill C-244, the Prairie Grain Stabilization Act, must be judged and dealt with against the reality of the depressed income position of prairie grain growers and the need for adequate measures of income protection as well as grain receipts stabilization, not only today but in the longer term.
>
> The bill itself must be dealt with in two parts:
>
> 1. The vitally necessary payments to be made to prairie producers as so-called "special transitional payments" in the amount of $100 million. These payments are urgently required.
>
> 2. The long term stabilization and storage policies contained in the bill. These require much improvement.

I emphasize the Federation of Agriculture's assertion that these policies require much improvement. The statement continues:

> The federation can in no circumstances view these two parts as conditional upon one another in dealing with this bill. They should not be, and need not be, conditional. We cannot accept the assumption, as a ground rule set by the government, that to get the immediate payment the long term policy must be accepted. It would be highly improper for us to temper our criticism of the long term grains policy in this bill—and we do have criticisms, and very serious ones—out of a feeling of fear and urgency respecting a possible delay of these essential "transitional" payments. It is clearly and unmistakably the federal government's responsibility to ensure that the special payment is made and made soon, while also ensuring that adequate opportunity is given for the consideration, modification and improvement of the long term proposals contained in the bill.

The last sentence in that statement by the Federation of Agriculture is underlined. The statement continues:

> The urgent necessity of immediately supplementing the incomes of prairie farmers is clearly seen in the disastrous figures on farm income recently released by Canada Statistics.
>
> While official statistics do not separate grain and livestock on a net income basis, there is little doubt that grain growers are operating on a net loss basis or close to it in western Canada. The net realized income, for example, to all Saskatchewan agriculture was $200 million in 1970. In the years 1963-67 it averaged $435 million. If "income in kind" is deducted from these figures the change was from $368 million to $131 million. If you were to allocate one-quarter of the total net ($92 million) in 1963-67 to livestock—a not unreasonable assumption—this leaves a net of $276 million to grain growing. If you allocate the same $92 million net to livestock in 1970—which is likely conservative—you reduce the net from grain growing to about $40 million. In short, grain growers as a group are operating virtually at a loss, and they must in fact try to survive on depreciation and the consumption of farm perquisites (income in kind) valued in the statistics for 1970, at $69 million for all Saskatchewan farmers including livestock producers. The Saskatchewan example is used because it illustrates most clearly the grain grower's disastrous income position, which for grain growers will be the same in the other Prairie provinces.

As a direct result of world market conditions over which he has no control and little possibility of predicting or anticipating, plus heavily subsidized competition from other exporters, the prairie grain producer has undergone, and continues to undergo, this vicious and disastrous shrinking of his income. We must insist that improved support of the level of farm income among prairie producers, and continuing, major support to prairie income from the federal government in face of present and prospective world conditions, is a necessity.

It must be recognized that this bill is clearly designed to place definite limits on the federal obligation to support prairie income, even in the face of chronic income inadequacy.

It is also a policy which has as a major objective the protection of the prairie and national economy—the businessman and the farm supplier—from the impact of sharp income fluctuations. It would be a great fallacy to view it as anything else.

Consider that the likely federal financial obligation under this policy (which includes the termination of the Temporary Wheat Reserves Act with no replacement of it by an alternative and better national storage reserve stocks policy with federal sharing of costs) is less than has been undertaken by the government through the Temporary Wheat Reserves Act alone in the course of the last 15 years.

Consider that there is no government recognition or undertaking, as we understand its attitudes, to assume direct responsibility for protecting the level of farmer returns through minimum price guarantees, although some element of such a policy could be introduced in the context of the Act on a two to one federal-producer sharing of the cost.

Consider the consistent refusal of the federal government to introduce an adequate two-price system so that farmers could gain from the domestic marketplace some semblance of an adequate price for grains used by Canadians for human consumption. The federal attitude that such a system could in some sense be regarded as a federal subsidy to the farmer is absolutely false and insupportable.

I should like to repeat those words. The federal attitude that such a system could in some sense be regarded as a federal subsidy to the farmer is absolutely false and insupportable. The Federation's statement goes on:

Consider that in the early years of application of this policy, at least, grain receipts are starting at such a low level that there is likely to be little or no stabilization payment to grain producers to supplement their income. Instead, that level will be further reduced by the 2 per cent levy on their gross.

Consider that unless major and more generous efforts are made to extend crop insurance effectively across the Prairie provinces, the termination of P.F.A.A. will add yet another element of loss and uncertainty to the prospects for many producers.

Consider that inflation can, and probably will, unless special provision is made to compensate for it, continue to erode the income position of grain growers, offsetting and more than offsetting any benefits of the stabilization proposal.

The plan as proposed in the bill goes only a small way to meet the federal responsibilities as we defined them to the Canadian Agricultural Congress in our position paper of that time. Commenting on the initial proposals of the Hon. Otto Lang for a prairie grain receipts stabilization plan we stated these responsibilities to be as follows:

1. The national responsibility for government sharing of costs of adequate reserve stocks of grain to meet market needs.

This is one of the major bones of contention. It is necessary for the welfare of our economy as a whole, and especially of the agricultural economy, that adequate stocks of grain should be on hand at all times to meet world market demands. They should be available for quick movement. This supposes the existence of a positive storage plan, and I do not think the farming industry should be called upon to bear the whole cost of such a storage program. I find myself in wholehearted agreement with the position taken by the Federation of Agriculture. The Federation's statement goes on:

2. The national responsibility to protect the farmers' prices when these are especially depressed as a result of competitive subsidization, and world surpluses in relation to commercial demand.

3. The national responsibility to reasonably protect farmers and the business community from excessive fluctuations in receipts from grain.

4. The national responsibility to compensate farmers for the chronically low level of returns to grain growing as a result of rapidly rising productivity in the industry, and world market conditions.

5. The national rseponsibility to return to farmers a fair price for grain used for human consumption in Canada.

These are some of the recommendations the Federation has to make:

1. The "transitional" payment must be made immediately and not be made conditional either upon acceptance of the rest of the bill as it stands or upon its rapid passage.

2. Aside from the "transitional" payment, the bill is not acceptable as it now stands. While supporting the principle of a stabilization policy, the Federation position is that the following minimum modifications to the policy are required to make it acceptable:

● (12:10 p.m.)

(a) Replacement of the Temporary Wheat Reserves Act (which we agree in its present form does not best meet the needs of the marketing system) by a new national grain reserves stocks policy, with federal sharing of costs. We propose the federal government share in the costs of carrying necessary reserve stocks of grain by paying carrying charges annually, for the full year, on about 400 million bushels of all grains, at the rate of one-half cent per month for storage and one half of the interest costs involved in carrying the grain.

(b) A change in the calculation of the stabilization payment by adjusting the five-year average upward by the amount of inflation which took place over the period.

Then follow some tables to illustrate the situation. I shall not bother the House with them but they reinforce my argument.

3. We propose that in view of the present very low level of prairie farm income, and the extreme difficulty grain farmers are already having in making ends meet, that in the initial five-year period of operation of the act at least, at which time review is provided for, that the federal-producer contribution ratio to the stabilization fund be three to one and the producer contribution set at 1½ per cent.

4. We propose that the amount of stabilization payments, in their aggregate, which may be made under the legislation, be included in the calculation of the five-year average of grain receipts. By this we mean that any stabilization payment will be included in the five-year average, attributable to the year on account of which the payment is made.

We think it is consistent with the stabilization objective to include stabilization payments in the grain receipts totals in calculating the five-year average. The stabilization payments received by individuals should not and need not be included in the three-year average calculations.

5. PFAA should not be phased out in any area until availability of crop insurance is ensured. We recommend that provision be made for a more adequate sharing of administrative and premium costs by the federal government, under the crop insurance program, and major efforts be made to ensure general

introduction. Otherwise the termination of PFAA will create real additional hardship for many individual producers.

These are very modest proposals in relation to the size of the need for improved income protection, which is very great and will continue to be so. The point must be stressed that the stabilization storage/PFAA policy as it now stands in the bill is an unacceptable package. If not improved as we recommend, the initial impact of the act will likely be for a period to in fact reduce the level of income available to the producer, because of the deduction of the levy and the termination of the Temporary Wheat Reserves Act. Moreover, the protection afforded to the level of farm income will be altogether inadequate over time.

We would also stress very strongly the need for price protection to the producer, through the initial payment system. We recognize that the present bill does provide in effect that shortfalls in initial payments are paid two-thirds by the federal government. We think that maintenance of an adequate level of prices is in principle a direct responsibility of the federal government because of the helplessness of the prairie farmer in the face of severe and subsidized international competition. We are however inclined not to quarrel with the cost-sharing feature of the proposal. Our point is that initial payments should be used as an income supporting mechanism.

Finally, an adequate two-price system must be made a part of the total policy package with respect to income protection for western grain growers. It is just not right that we should be the only, or virtually only, wheat producing nation that accepts world price levels as an adequate guide to prices that should fairly be paid in the marketplace by domestic consumers. It is a shocking fact that in the entire post-war period since the Second World War there has been essentially no increase in grain prices and therefore no increase whatever in the amount the farmers receive from flour and cereal products sold to the consumer. This must be corrected by substantial increases in the price received by the farmer for grain used for domestic human consumption. The impact on the consumer would in any case be very small. The great bulk of the cost of cereal products to the consumer is transportation, processing and distribution.

I have done some personal research, Mr. Speaker, as a result of which I should like to make the following remarks. Firstly, this proposal is not an income but a receipt stabilization plan. The proposal will not affect the deteriorating net income situation of individual producers and the western farm industry generally. The decline in prices of wheat and the inflation in the cost of such production inputs as equipment and land will continue to deflate the incomes derived from cash receipts.

Second, this proposal will not supplement the income of the producer who does not have generally sufficient cash receipts to sustain a reasonable standard of living or for any additional cost of adjustment. The proposal will only maintain his past level of receipts whether that level was reasonable or not. By itself the proposal will not be of any positive assistance to the poor farmer in rationalizing his production or in vacating the industry.

Third, this proposal will not protect the individual producer from changing market realities and thus retard "adjustment", but, in fact, will exaggerate market pressure on the producer. It provides an incentive to the producer to employ market forecasts to best match his production to anticipated market realities and conversely penalizes the producer who does not. Payments to individual producers will be made in relation to their average marketings for the three years ending in the year in which their payment is made. If an individual were able to keep his receipts up, despite a general decline in the industry, his base on which the payment would be made would be higher and his payment correspondingly greater. Conversely, the producer who was negligent about market trends and made a bad guess—and guessing might accurately describe accepting government forecasts—or who was a marginal producer who could not finance an efficient response to market conditions, would receive a correspondingly smaller payment. Again, Mr. Speaker, this is one of the serious inadequacies of the legislation as it presently stands.

Four, the plan is really aimed at stabilizing the cash receipts of the yet undefined viable-sized farm unit. Excess cash receipts will not be stabilized and inadequate cash receipts will not be supplemented. Clearly, the government is interested in protecting an optimum unit of some sort as the cornerstone of the grains industry.

Fine, for normal times it appears the government leans toward the principle that this receipt stabilization plan should be self-financed by producers. Producers' contributions will be paid as a regular deduction from receipts from sales, while government contributions will be made as grants whenever the payments to producers exceed the accumulated producer contributions. Government grants will not be repayable from future producer contributions.

Six, since we have not received a schedule of payments or contributions for an individual producer, it is not possible now to be certain of their incidence. However, the plan appears to be based on neutral insurance principles. There is no principle in the plan that suggests either a progressive or regressive intention regarding the burden of contributions or the effect of benefits to the individual producer. Again, receipt stabilization is its focus, not income maintenance or income supplementation.

Seven, this proposal will not inject "more than $100 million" into the grain industry for 1970-71. The government will save almost that amount by terminating the storage payments for wheat under the Temporary Wheat Reserves Act. For the 1969-70 crop year that plan cost the federal government $66.3 million and likely would have cost more for 1970-71. As with the Lift program, the real contribution will be far less than the initial suggestion. On looking closely at the bill, it appears there are one or two technical deficiencies. For that reason I intend to conclude my remarks by moving an amendment. To clarify the objective and reason for the amendment, I should like to make the following remarks. Because of the inconsistencies in the principles of this bill, I propose to move an amendment to the motion before the House.

• (12:20 p.m.)

You will have noted, Mr. Speaker, that this bill proposes an expenditure of public funds and is therefore based upon the recommendation of His Excellency that public funds be appropriated to particular purposes set out in the recommendation. The provisions of the bill must carry out the purposes of the recommendation.

The Governor General's recommendation is printed opposite page 1 of the bill. One of the purposes set out in

that recommendation commences on the fifth line from the bottom and reads:

—to provide that all moneys remaining in the Prairie Farm Emergency Fund be credited to the Prairie Grain Stabilization Account.

That statement is clear and unequivocal. That, however, is not the way this purpose appears in the bill. Clause 34 purports to amend the Prairie Farm Assistance Act. On page 21, subclause 3 of clause 34 provides that a new section is added to the Prairie Farm Assistance Act to provide that:

All moneys remaining in the Prairie Farm Emergency Fund immediately prior to the repeal of this act shall be credited to the Prairie Grain Stabilization Account established by the Prairie Grain Stabilization Act.

The words "immediately prior to the repeal of this act" are qualified by subclause 4 of clause 34 which provides:

The said act is repealed effective on such day after December 30, 1973, as may be fixed by proclamation.

In other words, there is no provision in this bill which carries out the recommendations of His Excellency that all moneys remaining in the Prairie Farm Emergency Fund be credited to the Prairie Grain Stabilization Account. On the contrary, Mr. Speaker, there is a definite prohibition in subclause 4 against making such a transfer of funds before December 30, 1973. After that date, there is a discretion in the Governor in Council to repeal the Prairie Farm Assistance Act. He may or may not repeal it. The Fish Inspection Act was on the statute books for the best part of 20 years before it was proclaimed. Part II of the Narcotic Control Act, which was enacted by Parliament in 1960-61, has yet to be proclaimed by the Governor in Council.

An authority given by Parliament to the Governor in Council to proclaim the coming into force of a bill is a grant of discretionary power. The grant of power is discretionary in two aspects. The Governor in Council has a discretion as to whether he will exercise the power at all and, if he decides to exercise it, he has a discretion as to when he will do so. The restriction on his discretion in this bill is not upon the discretion to exercise or not exercise the power; it merely provides that if the Governor in Council does exercise the power he shall not do so before December 30, 1973.

The Governor General, by his message to this House, has recommended that the funds in the Prairie Farm Emergency Fund be credited to the Prairie Grain Stabilization Account. The government asks this House to pass a bill that does not give effect, indeed, may never give effect, to that recommendation. The official opposition must oppose a principle that where His Excellency recommends the use of public funds to a particular purpose that recommendation is carried out by delegating to the Governor in Council a power to implement that recommendation if and when the Governor in Council so pleases.

I therefore move, seconded by the hon. member for Meadow Lake (Mr. Cadieu):

That all the words after "That" be deleted and the following substituted therefor:

Bill C-224 be not now read a second time but that the subject matter thereof be referred to the Standing Committee on Agriculture to consider the principle expressed in the message and recommendation of His Excellency that the measure "provide that all moneys remaining in the Prairie Farm Emergency Fund be credited to the Prairie Grain Stabilization Account" and the opposed principle expressed in clause 34 of the bill, lines 13 to 23 on page 21, that such moneys be so credited on such day after December 30, 1973 as may be fixed by proclamation.

Mr. Speaker: I have listened to the hon. member's presentation and argument in favour of the proposed amendment. I am prepared to make a ruling as to whether the amendment is procedurally correct. I have some strong reservations about the form in which the amendment is proposed. The hon. member, as well as other hon. members in the House, admit that this is a novel form of amendment. I am open to suggestions from hon. members on either side of the House who might wish to enlighten the Chair. I will listen to them with pleasure.

Mr. Baldwin: Mr. Speaker, my comments will be very brief. I recognize the difficulty under which Your Honour labours. I know that we are groping toward working out a type of jurisprudence in the House based on certain changes in Standing Orders, adapted as far as possible to precedent and practice of the past. We have had this trouble for a long time, ever since the new Standing Orders became effective.

The government, in its recommendation from His Excellency, has seen fit to insert, as coming from the Governor General, certain particularized and detailed recommendations. Then, as I see it, all too often there is no attempt to bring about any conformity between the recommendations and the bill itself. The opposition is in a very difficult position because we cannot interfere with the recommendation. Time after time these details in the specific recommendations being brought down and attached to bills consistently contain variation. We are faced with the kind of problem confronting the hon. member who has moved this amendment. I have recognized this problem in the past when trying to convince Your Honour of this.

If Your Honour should rule against the amendment, and I hope you will not, I urge you to include in your remarks at least some *obiter dicta* to the effect that there should be a responsibility on the government to bring in a recommendation in simple form. I have urged this before. I would state simply that His Excellency recommends to the House a bill dealing with certain general matters. That would cover it. We would then have the bill as an extension of the recommendation. The government attempts to limit certain specific items in a recommendation, but time after time there is no conformity between that and the bill.

The members of the opposition, in attempting to see that the Standing Orders are complied with and that the rules of financial responsibility are lived up to, are faced

with this sort of difficulty. I simply limit my remarks to suggesting that Your Honour look upon the responsibility of the government to see that this situation does not arise. I have urged that as strongly as I can, because this is the sort of situation which prompted the hon. member to move this amendment.

Mr. Speaker: I thank the hon. member for the opinion he has expressed and the advice which he has given the Chair. As he and other hon. members of the House know, we have had the same argument on a number of occasions since the rules have been changed. The problem to which the hon. member refers is a very real one. I am not sure that it has been compounded to any extent by changes in the rules.

• (12:30 p.m.)

The general procedure, as it affects amendments, has not changed that much. The rules, precedents and practices of the House as they apply to the form of amendments have remained substantially the same over the years, even after the rules were changed. In my view what the hon. member is attempting to do is amend a part of an act, and I would think in this way he anticipates a later stage in the proceedings on a bill. It may well be, that this kind of amendment or the idea behind it might be achieved by an amendment at the committee stage or at the report stage, but I do not think it can be done at this stage of our proceedings. Such an amendment could be either that the bill be not now read but that it be read six months hence, which would be an acceptable or reasoned amendment, or it could be an amendment which would object to the principle of the bill. However, this amendment is neither; it is a combination of the two. The hon. member does not object to the principle of the bill but objects to the principle in clause 34.

If we allowed amendments on second reading based on this premise, we would become involved in considerable difficulty because I would think it would be difficult to imagine a bill of 20, 30 or 40 clauses which would not contain a number of specific clauses with which hon. members would want to take exception. The amendment they would wish to propose would be a reasoned amendment in respect of one specific clause. I suggest to hon. members that in this way the amendment would not be in order.

The hon. member has suggested, that in the form of an *obiter dictum,* the Chair suggest to the government that we should look a little more closely at the form of the recommendation. I have done that before. The hon. member knows I have on a number of occasions expressed an opinion about the form of the Royal recommendation. As a result—and this is strictly *obiter dictum*—I do feel that perhaps what should be done is that there should be a very general recommendation, say, to the effect that His Excellency has looked at this measure and this is the measure he recommends. Then, in my view, this offers many difficulties. This is the argument suggested by the hon. member for Peace River, but I have heard other hon. members, even on his side of the House, argue just the opposite. They say that His Excellency should have a recommendation which is very detailed and that we should not go beyond what is specifically recommended to us by His Excellency. There are obviously two sides to the question. My sympathy, however, is with a simple recommendation to the effect that His Excellency the Governor General has looked at a measure and, in so far as its financial provisions are concerned, this is what he recommends to this House. Any amendment which would go beyond the terms of the bill itself, or try to impose an additional charge on the treasury, would then be out of order but anything which would be within the recommendation of His Excellency would be acceptable from a procedural standpoint.

I therefore confirm that I am in sympathy with the hon. member for Peace River in his approach to the problem. I have expressed that view before to hon. members. I am not sure whether it has been expressed to the hon. member in his capacity as House leader for Her Majesty's Loyal Opposition. I will do this in due course, and perhaps he might use his influence a bit in that capacity to see that this new procedure is adopted by His Excellency. Perhaps the hon. member in his very important capacity might be able to influence His Excellency, a former Speaker of the House of Commons, to change the form of his recommendation to the House of Commons. I am not sure whether I gave a conclusion in these rambling remarks, but the conclusion the hon. member will have suspected at least is that the amendment cannot be put.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, while I am not a member of the Agriculture Committee, I do represent a constituency that is basically an agricultural producing area. I am compelled to participate in the debate at this time on the grain stabilization plan because of the tremendous concern that many people in the farming community have relating to this particular bill and the over-all program of grain price stabilization. I believe it is well that we remind ourselves of the fact that Canada is an agricultural nation. I believe it is fair to say that one hundred years ago, basically, agriculture was the most important industry in this country. Three-quarters of our people at that time were involved in agricultural production or distribution. This picture has changed in the intervening years. Today, basically Canada is urban. While it is true that now the greatest part of our population do not live in agricultural areas, agriculture is still vitally important. In fact, I think the production of food is still the basic industry of Canada.

My fear, so far as some of the measures the present government is introducing relating to agriculture, is that this very important industry might be damaged to such an extent that the whole wellbeing of the nation might be affected. Certainly, it is not just the livelihood of those engaged in agriculture with which I am concerned. I am also concerned with the more than 21½ million people who are the consumers of food. Recent statistics tell us that Canadian consumers spend over $8 billion a year on food alone. This amounts to something like $400 per person or about 21 per cent of all personal expenditures which can be designated for goods and services. Perhaps,

in this age of urbanization, in this age of convenience food, the close relationship between agriculture and food is easily forgotten. It has been said that Canada has the most efficient agricultural industry of any country in the world. I believe this is true. Therefore, while we must remind ourselves of the importance of the agricultural industry and the production of food, it is also very important to understand that there is a limit to the level of efficiency the agricultural industry can reach.

We are dealing now in this bill particularly with the production of grain. But, in order to have an idea of the handicap which the producers of grain in Canada have, we might compare the income received for, shall we say, a bushel of wheat in the United States where there is a heavy federal subsidy and the income the Canadian farmer receives for a bushel of wheat. In the United States at the present time the combined domestic and export price under their modification of a two-price system gives the United States farmer $2.83 a bushel. Yet in the year 1969, we find that the Canadian farmer received $1.50 a bushel for wheat that is exported and $1.95½ a bushel for wheat consumed on the Canadian domestic market. We are still expected to compete, in respect to the standard of living with a nation like the United States where the farmers receive nearly double the amount our farmers receive for the same bushel of wheat. This illustrates the problem the average farmer faces today in respect of the production of grain.

• (12:40 p.m.)

More than that, I believe the grain farmer—we will limit our remarks to the grain farmer at this particular time—has had to face a price-income problem which has not been faced by any other industry in this country. Certainly, no other segment of industry, whether producing manufactured food, implements used in agriculture or goods used either personally or in the area of clothing and shelter, would produce at below cost. You cannot do that if you expect to survive. Yet we are aware today that the income of Canadian grain producers as well as the income of agricultural producers in general has gone down each year for the past eight years, although the cost of living has gone up. It is tragic that the farmer is not able to do anything about this. The manufacturer of clothes will not sell his clothes for less than the cost of production; neither will the manufacturer of a tractor sell that tractor for less than it cost to produce. He will try to recover its cost of production and distribution and make sure that he has something left over, or else cease operation. That is not true of the farmer in these circumstances. He cannot do that.

In its recent submission to the government, the Canadian Federation of Agriculture said that while statistics do not separate grain and livestock production on a net income basis, there is little doubt that grain growers are operating on a net loss basis, or close to it, in western Canada. The net realized income, for example, for Saskatchewan agriculture was $200 million in 1970. In the years 1963 to 1967, the annual income averaged $435 million. If income in kind is deducted from these figures, the change was from $368 million to $131 million, or a decrease of $237 million. To be exact, the farmer's income has gone down by 65 per cent. That illustrates the magnitude of the problem the farmer faces. He cannot control it and can do little about it.

I want to be fair to the government and to the minister responsible in this area. I hope that the government's motivation in bringing forward this grain stabilization bill is to help farmers overcome their problems. I hope that its function will be to bring some degree of financial equity to the farmer. Having said that, may I now say that I do not understand how the provisions of this bill will do that. Some farmers in my constituency, in particular, are particularly concerned about certain provisions of the bill.

The government states that this program is designed to establish policy with an initial, interim payment of $100 million to western farmers for the current crop year. That is its short term objective. It is also basically designed to hold cash farm grain receipts at a predetermined level. That is my understanding of the program, Mr. Speaker. The program is to be based on a two to one ratio, the government contributing 4 per cent of total receipts for each year and the farmers contributing two per cent of their totals, up to an average cash receipt of $15,000. This will mean that the maximum that any one farmer will end up paying in any year is $300 to the stabilization fund. The plan would pay to grain farmers who hold Canadian Wheat Board permit books, in a year for which the payment would be made, an amount equal to the difference between the total eligible farm cash receipts for the crop year and the average of such receipts for the preceding five years. The total payable would be divided among the eligible permit holders on a proportion of each individual's average eligible cash receipts for the preceding three years.

This sounds all very well, Mr. Speaker, but I want to emphasize something that previous speakers have referred to. It is of great concern to me. The government contends that it is giving $100 million to the farmers. That is not the case. The $100 million which, in the short range aspect of the program, will be provided to the grain farmers and to the agricultural industry is not for the most part new money. Rather it has been obtained by the elimination of two other programs which over the years have put considerable money into the agricultural and grain industry. I am, of course, referring to the Temporary Wheat Reserves Act and to the Prairie Farm Assistance Act. Although $100 million is to be paid out by the government this year, the cost to the federal treasury will be considerably less than that. I think it is necessary to make that fact clear, and I propose to do so. For example, let us look at the Prairie Farm Assistance Act. We know that the Prairie Farm Assistance Act program, in the 30 years it has been in existence, has collected over $207 million and paid out to the farmer over $383.5 million. In 1969, the last year for which there are records, a total of $5,281,000 was paid out. I understand that the PFAA assistance program will be replaced by the grains stabilization program, when it takes effect.

The second program to be eliminated when this legislation is implemented will be the Temporary Wheat Reserves Act program. That will be entirely lost to the farmers. At present that program covers, basically, the cost of storage. In the years 1968-69, of the $101 million paid for storage, $22.3 million was charged to the producer and $79.7 million to the Treasury. This program will be eliminated altogether, and in that regard real difficulties will be created for the farmer, because in future the farmer will have to pay the whole shot for storage.

The government is planning basic changes with regard to general transportation and storage matters, the net result being that farmers will incur greater costs for transportation with the establishment of regional terminals across the wheat producing area. The program will not only mean that the farmer will pay increased costs for storing grain; he will also pay increased costs for transporting grain. Whereas in the past he may have had to haul grain five, 10 or 15 miles, he will, after this storage program has been introduced, need to haul his grain 20 miles, 30 miles, 50 miles or even farther. That will create greater difficulties and greater expense for the farmer than he experienced in the past. Thus, I am greatly concerned about that aspect of Bill C-244.

In looking at and considering the over-all problem that is before us, we must consider it against the reality of the depressed income position of prairie grain farmers. There is a need for adequate income protection for farmers as well as the stabilization, in the longer term, of their receipts. This bill stabilize their incomes at a minimal level which, at today's prices, I submit is below the cost of production. Farmers must be induced to produce food, at a locked-in price level and I submit that farm incomes ought to be stabilized at a higher level and not at starvation or minimum levels. That, to my way of thinking, shows another fault in this program, and I am concerned about it. If we were talking about an ordinary industry, let us say, of the sort that produces farm implements, clothing or shoes, the matter would be altogether different. You might argue that you do not need new tractors or new implements this year. But food must be produced. While we can take satisfaction in the fact that Canadian farmers can produce more food for more per capita than probably any other farmers in the world, the fact remains that food production is something that we must maintain not only for our own needs but also for world needs.

• (12:50 p.m.)

In recent years there has been a great deal of talk about what we should be doing with our surpluses. Mr. Speaker, we have an obligation to our own people, but it seems to me that in an ever-shrinking world we have an obligation that goes much further than that. It is not just a case of exporting know-how but of building up reserves that inevitably will be needed by hungry people, whether they live in Canada or elsewhere. It is my concern that we are looking at this from the view of the short-term approach.

We can go back to scripture, to a man who became a great agricultural expert in his day even though he himself was not a farmer. This was Joseph, who worked as prime minister for the Pharaohs of Egypt, who was wise enough to accumulate a great storage of grain in the good years in order that there might be sufficient food during the bad years. That story from biblical times in the Middle East is not too different from the pattern of things as they happened in the generations since then. In this regard, I have to agree with the Canadian Federation of Agriculture and its statement with respect to the vitally necessary payments to be made to prairie producers, special transitional payments of $100 million. These are very important, but basically the long-term stabilization and storage policies contained in the bill are of questionable value and must be considered from the long-range rather than the short-range aspect.

I would like to say just a word in regard to world market conditions. The farmer himself has little ability to control, and little possibility of even predicting or anticipating what the world market situation will be. But what the Canadian farmer does face, as I mentioned earlier, is a competitive situation from a very heavily subsidized agricultural program in other food producing areas of the world, which places him at a very serious handicap.

I am not advocating that we should follow the American pattern, which is one of heavy subsidization by the federal treasury through various agricultural programs. But while saying that, and being convinced it is true, this does not mean that we can eliminate the responsibility we have toward the agricultural industry in Canada. The fact remains that the farmer himself cannot survive unassisted in the face of the subsidized competition that he meets from other countries. Therefore, while I agree with the principle of the bill, I think its provisions leave something to be desired.

Certainly the vicious and disastrous shrinking of income faced by the western grain producer is something that cannot continue. Again I refer to a comment made by the Canadian Federation of Agriculture:

> We must insist that improved support of the level of farm income among prairie producers, and continuing, major support to prairie income from the federal government in face of present and prospective world conditions, is a necessity.

In this regard, Bill C-224 is designed to place definite limits on the federal obligation to support prairie income, even in the face of great chronic income inadequacy. Therefore, while agreeing with the principle, it seems to me the philosophy behind the bill is wrong if we desire to have a viable agricultural industry and to continue the production of food.

So, Mr. Speaker, I bring these points to the attention of the minister responsible, and to those of us who are vitally interested in agriculture, because it is in these areas that I see the basic problem of food production so far as agriculture is concerned.

Now, I wish to say just a word in closing with reference to the situation so far as farming units are concerned. Whether it be from the short-term approach in

this $100 million interim subsidy program or whether it be on the basis of the long-term program, I believe that the answer to our agricultural and food needs in Canada does not lie just in building industrial farms. I think there are many examples throughout the world today which prove that industrial farming, or big corporate farming, is not the answer to a viable agricultural industry.

There has been a great deal said, and I am concerned about the attitude of the Minister of Agriculture (Mr. Olson) in this regard, that it is inevitable that the family farm unit will disappear, and the larger economic unit will take over. This is not the answer. If this is the reason the government, particularly the Minister of Agriculture, is moving to centralize authority in the hands of the federal government—and this refers to Bill C-176 as well as this program, the two being inseparable—then I think it is wrong.

There must be an approach whereby the growing of living things can roll with the punches, can meet the various crop conditions and various market conditions in such a way that the farm unit itself is not destroyed. It may be a cliche, and it may be in the minds of some a reactionary approach, to say that just because the farm unit has been the secret of our farming efficiency and our ability to produce food in the past, it does not follow that it must be so in the future. Yet, Mr. Speaker, I am convinced that a real, viable agricultural industry in Canada can only come about when the basic rights of the family farm unit are protected vis-à-vis the industrial or farm approach.

Certainly Russia, with its corporate farming approach of communal farming, has illustrated this fact. It is a most interesting fact that in spite of all modern equipment and efficiency the actual per capita production of grain in Russia was more in the so-called incompetent and corrupt time of the Czars than it is now through communal farming. This is why the Russian agricultural pattern is changing back to individual units, or at least reversing itself in a very definite way, and it is evidence of the fact that the Russians have not found the answer in communal or corporate farming.

My concern, not only with respect to this bill but with respect to Bill C-176, with respect to the various utterances of the minister responsible for the marketing of grain and of the Minister of Agriculture himself, is that this whole philosophy of building up federal control is a wrong approach which will cause irreparable harm to our agricultural industry. It is wrong for the federal government to think it knows the agricultural situation so that it can tell the farmer when he can sow, what he can grow, when he can harvest and what he can market. This is the trend facing the farmer today, and that is why I am so much concerned with regard to the grains stabilization program set out in Bill C-224.

Mr. Deputy Speaker: Order, please. It being one o'clock I do now leave the Chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. John Burton (Regina East): Mr. Speaker, prior to the commencement of consideration of this bill today this House had already spent two days in debate on it. We are now on the third day of debate and I think, for a number of reasons, it is entirely proper and necessary that the House give some close and careful consideration to the legislation.

The first reason is that the problems facing rural Canada are very closely integrated with some of the fundamental economic problems facing Canada which have been under debate in the past two days, in particular the new unemployment figures. The fact is that there is a malaise in the Canadian economy. We see it demonstrated in the urban sector of the economy with the unemployment figures which are well known to all hon. members. We also see that malaise in the rural sector of our economy and our society. I suggest there is a relationship between those two sectors, and the malaise that exists in each countributes to a further accentuation or intensification of the problems facing each of the major sectors.

The second reason is that rural Canada is in a crisis situation. A process of disintegration is under way that could result in its complete destruction. Parliament has a responsibility to stop that destruction and to take steps to help construct a healthy rural society.

Bill C-244 will have an effect on the future of the Prairies. It is not clear whether the effect will be a healthy one. This bill contains a permanent plan which the government now intends to rush through Parliament, using the transitional payment of $100 million as a carrot and a stick—a mighty big stick. For that reason, I think we need to consider very seriously just where we are going with respect to this legislation. The minister responsible for the Canadian Wheat Board, who introduced this legislation, has insisted that the two aspects of this bill be considered together. In terms of the power available to the government he, of course, has a right to persist in that course. I suggest to him, however, that he is being too clever by half in some of the schemes that he tries to foist on the prairie farmer and on this House. I think it is time he started to think of the interest and the future of the prairie farmer, rather than his own political future when dealing with these problems.

Some hon. Members: Hear, hear!

• (2:10 p.m.)

Mr. Burton: The problems are too great and serious to be fooled with in the way the minister has demonstrated in dealing with this legislation. It is reprehensible that the minister chose to issue a press release last Friday concerning the debate that had taken place in the House on a previous piece of legislation. Before making his own speech in the House on this particular bill, he issued a press release accusing the opposition of filibustering the stabilization bill. This illustrates an element of

authoritarian outlook on the part of the minister. The minister has the attitude that he, and only he, knows best. This reminds me of those spoiled children who say, if you don't play the game my way I will run home to my mommy and cry. This attitude is possibly exemplified by the other saying, I will go home and take my bat and ball with me. If the minister went back to his law school, many western farmers would be better off.

This plan is a permanent one and has far reaching implications. The minister does a disservice to western agriculture when he tries to blackmail Parliament into approving this bill because of the transitional payments. The $100 million in transitional payments provided in the bill are urgently required. They should be higher. I will deal with this later in my remarks. This is the reason my colleague, the hon. member for Saskatoon-Biggar (Mr. Gleave), moved an amendment earlier this week. The amendment was ruled out of order by Your Honour. I do not propose to take issue with that ruling. I simply want to point out that the motivation behind the amendment was to try to find a way of getting this money into the hands of the farmers quickly, and to allow time for adequate consideration of a permanent piece of legislation.

We have to relate our consideration to what is happening at the present time to the agricultural economy. Farm income in Canada has dropped at a disastrous rate. The income for 1970 was $1,198 million or 23.9 per cent lower than the 1969 figure of $1,595 million. The 1970 income was approximately 30 per cent lower than the 1968 figure of $1,714 million. 1970 net farm income in Saskatchewan was $202.7 million, a drop of almost 50 per cent from the 1969 figure of $402.9 million and a drop of over 55 per cent from the 1968 figure of $462.3 million. The transitional payment of $100 million provided in Bill C-244 only represents one third of the drop in farm net income in the Prairie provinces from 1969 to 1970. In one year, Prairie farm income dropped by $296 million. In Manitoba, it dropped by $39 million; in Saskatchewan, $200 million and in Alberta, $57 million.

The plan before us is based on gross cash receipts. Every farmer knows that these do not count for much. The farmers are handling a great deal more cash today than 10 or 20 years ago and, in some cases, five years ago. What does count is what the farmer has left after he has finished paying his expenses and other costs. The plan before us, based on gross cash receipts, bears no relationship to farm net income. A plan related to farm net income would take account of the rising costs of production. We can expect that these costs will continue to rise. This fact has been demonstrated by some indicators announced this week.

I do not know whether we can expect any firm action by the government to reverse this trend or bring it to a halt. One example I can cite is the lack of action on farm machinery prices as a result of the Barber commission report. This bill goes as far as charging wheat board deficits against the fund. It should be fairly obvious to all hon. members that when the board or the government makes a miscalculation in its initial payments, and this could conceivably happen in an election year, it is the farmer who will pay the shot. In the long run, the farmer will pay for the mistake out of moneys that should be available to him.

What we have in the plan before us is part and parcel of the philosophy of the task force on agriculture. The basic approach of the task force on agriculture was to get the government out of agriculture and out of its commitments, particularly its financial commitments to the agricultural sector of our society. Such an approach and philosophy ignore the realities in the world today. The government is now accepting the philosophy of the task force. On the basis of its actions, one is forced to conclude that the government is writing off agriculture in Canada. We should take note of the consequences of these actions, because what we are witnessing today is the destruction of our rural society. There is no question about the fact that rural society has to change. The rural economy must change and adjust to keep abreast of changing times and conditions.

We are witnessing the destruction of our rural society and economy. What is the government doing about it? It has come up with this plan which means a far lesser commitment to agriculture by the federal government than what it has done to now. I suggest that when the government speaks piously about wanting to do something for rural Canada, action speaks louder than words.

Let us examine what has already happened. The present government abandoned farmers to the mercy of the world grain markets through the process of the International Grains Arrangement and the International Wheat Agreement negotiations. The government is now repealing the Temporary Wheat Reserves Act which meant an average of approximately $40 million per year for the farmers over the past 15 or 16 years.

We should compare the plan presented to Parliament in Bill C-244 with the recommendations of the task force on agriculture. I do not intend to go into this in detail, but it is important to note two fundamental differences in the plan before us in this bill and the plan proposed by the task force on agriculture. The task force on agriculture presented its own ideas and recommendations. I want to make it clear that I do not necessarily hold a brief for the recommendations of the task force on agriculture. However, they pointed out some factors that should have been given greater consideration by the government in making its decisions. I quote from page 119 of the task force report:

> The Task Force believes that the marketing of the grain must be separated from the general income issues of Prairie agriculture if a highly competitive system of grain marketing is to be developed.

This statement has a good deal of validity when dealing with the world marketing situation as it exists today. The plan presented to us by the government fails to adequately separate the marketing component of the situation from the income component, certainly with respect to gross cash receipts.

What are the two factors involved in gross cash receipts? One is the actual physical volume of grain which

is marketed. This is where the marketing aspect comes into it. The second is the price received for the grain. These two components make up the total package involved in the definition of gross cash receipts. One is a price factor which is related to income; the other is more directly related to marketing considerations. The minister and the government have failed to adequately separate the marketing factor from the income factor which must be paramount in any plan presented to Parliament.

• (2:20 p.m.)

The second factor that should be noted is the recommendation of the task force that such a plan should be voluntary. The task force on agriculture also recommended that there be a wheat diversion program and that incentives be provided for it. Of course, the minister might say the government base Operation Lift on that recommendation last year. The minister shakes his head in the negative. The task force did recommend a diversion plan but in each case they made it clear that such a plan would be voluntary. When we take into account the limited commitment the government has made in terms of the stabilization bill before us, it is difficult to justify the compulsory feature. I would be prepared to acknowledge that valid argument can be advanced on both sides as to whether or not a stabilization plan should be voluntary or more comprehensive and, therefore, compulsory. The implication of deciding on a comprehensive plan is that there must be a greater commitment by the government in terms of its contribution to the plan. We have before us a plan under which the government's commitment is limited. The prospects are, in fact, that in the long run there will be a further reduction of its commitment to contribute. Under this plan it appears farmers will be asked to contribute about $15 million. The government, on the other hand, will contribute about $30 million.

The prairie farm assistance legislation is being discontinued, a program to which intermittent government contributions were made in various years. The government contribution to the grain industry will diminish after the transitional payment has been made. This will give hon. gentlemen opposite time to get through the next federal election. In my view, the transitional payment ought to be in the order of $250 million. This party has called for transitional and emergency payments at that level. Every major farm organization has called for emergency assistance to prairie farmers of that order. What do we find? A limitation on the extent of assistance the government will give to western farmers.

It must be recognized that not all of the money being provided through the transitional payments is new money. It is proposed to drop the Temporary Wheat Reserves Act, and PFAA will be phased out. I should also like to call attention to the situation with regard to Operation Lift, which not long ago the government said would be the salvation of western Canada. First, it was stated with a good deal of publicity that this could mean $140 million to the farmers of western Canada. In fact, only $100 million was voted for the plan, and according to an answer tabled in the House a few days ago, not more than $53.7 millions have been paid out to farmers up to the present time, though there is a small amount yet to be paid out under the forage aspect of the program. The minister expressed himself as being very satisfield with this result. I asked him the other day in the House why he could not add the unspent portion of this money to the amount he is proposing to spend by way of transitional payments. It seems to me this is a reasonable proposition. It would not bring the fund up to the level we would like to see, but in my opinion it is the very least the government should consider doing by way of bringing assistance to western agriculture. Publicity having been given by government spokesmen to both the $100 million and the $140 million, this is another example of hon. gentlemen opposite misleading the people of Canada in connection with the extent of assistance being provided to prairie agriculture. Most of us cannot fail to recognize that the measures the government has brought forward are totally inadequate. There is a need for $250 million, and even this sum will not match the drop in farm income on the Prairies during the past year.

The minister has insisted on including the transitional emergency payments in the same package as the permanent plan to which we ought to give great attention. This is bound to result in a good deal of resentment in western Canada; the people there will not like the idea of this bill being rammed down the throat of Parliament and of western farmers. The government should be prepared, on its own initiative, to accept the proposition which has been put forward by a number of hon. members, that is, to divide the bill and deal with each part in turn. We recognize that certain features may be part of a general policy package. The minister has talked about a policy package from time to time that is broader in scope, yet he has been able to deal with different aspects in different bills. There is no reason why the proposals before us could not be dealt with by way of two bills.

Turning to the stabilization plan as set out in this measure, may I say we approve the principle of stabilization but we do not approve the plan which the government has produced. In my view, it contains four basic defects: First, it has the effect of stabilizing poverty. A plan designed to stabilize cash receipts at current levels assumes that the income level of the past five years is an adequate base. This is obviously not good enough; second, it does not take into account increasing costs of production. A plan to stabilize cash receipts is of little value in the face of sharply rising costs; three, there will be many inequities resulting from the application of an industry-wide formula for stabilization to individual farm situations. This could have the effect of discrediting the plan before it has really begun. A wide variety of crop conditions across the Prairies that varies from year to year will make a shambles out of the plan; four, the plan is designed to limit the government's contribution to the grains industry. It would appear that the government contribution to the stabilization fund will approximate $30 million a year. Offsetting this contribution will be the elimination of the Temporary Wheat Reserves Act which has meant an average of $41 million a year to prairie agriculture since its introduction, and

the elimination of PFAA which has involved a government contribution in some years.

When new problems arise in future years, the government will have an easy answer ready: "We're helping through the stabilization fund." In addition, a decrease in farm numbers as planned by the government for future years will further reduce the degree of government involvement. The problems of prairie agriculture cannot be solved by the government withdrawing major commitments to the industry. If it does, it is out of touch with the world of reality. What justification is there for such a severe limitation on the government's contribution to the prairie grain economy, some $30 million a year, when the government is, on the other hand, contributing millions of dollars a year to help private industry through its regional development program and many other similar programs designed to assist private industry? In addition, multimillion dollar tax concessions to resource industries, which are going to be continued, far overshadow the government's stingy contribution to the prairie grain economy.

• (2:30 p.m.)

There are also other aspects of the bill to which we object. One question I should like to ask is, why the 90 per cent level of stabilization? What rationale or justification is there for this? I think it demonstrates a skinflint attitude on the part of the government. The result will be that when the stabilization plan comes into operation and farmers receive payments, the highest possible level of payment they will be able to receive will be in the order of 98 to 99 per cent of the previous five years' average. At no time will the total gross cash receipts for the year in question, together with the stabilization fund payment, reach the 100 per cent level in terms of the previous five years' average.

I notice that the government is even cutting out whatever margin may exist under one per cent. If there is less than a one per cent difference between the gross cash receipts for the year and the five year average, the payment will be cut out. I suppose there is administrative justification for this, but why could it not have been added on to a future year in order to give the farmers greater benefits than they would otherwise receive from the fund? I should also like to know why the 2 per cent levy. What rationale is there for a 2 per cent levy? Why is the government taking this approach? Can the farmers stand a 2 per cent levy against their gross cash receipts? I suggest that with the information available to hon. members, as well as to the government, it can easily be demonstrated that farmers are operating either at a loss or simply marginally; that that 2 per cent levy will in many cases push farmers into a deficit position for their year's operations. I notice that the task force on agriculture said there should be a 1 per cent levy when presenting its recommendation for this particular form of stabilization plan.

Another objection I have to the bill is that the government is charging off Wheat Board deficits against the stabilization fund. This is an arbitrary action and indicates that the government does not want to spent any more than it has to on assisting the grain industry of western Canada. Past experience has shown that seldom has there been a deficit on Wheat Board accounts. It is true that there was a substantial deficit for the 1968-69 crop year, but this was certainly an exceptional case and was far from the normal course of events.

I think we should ask the question: When is there likely to be a deficit on Wheat Board accounts? There are two basic situations when there may be. One is if somebody makes a mistake, say either the Wheat Board, the government or whoever it is. The second is when there are disastrous market conditions resulting in a sharp drop in price such as that experienced during the past several years and which was largely responsible for the deficit in the 1968-69 crop year. Considering these two basic reasons, when a deficit does occur should the government not be the agency that picks up that deficit? That is the least it can do. I suggest this added feature of the plan is an unnecessary burden on the farmer and makes the plan even more unworkable.

This legislation also provides some opportunity for manipulation. Even though the minister would deny this—and I accept his word as such—I suggest there will be a very grave suspicion in western Canada that this is the case.

In considering the bill we also need to take careful note of the statement issued by the Canadian Federation of Agriculture on May 7. Surely, this statement was a sharp rebuke to the minister. If the minister ignores the representations made in this statement, he will demonstrate a total lack of sensitivity and responsiveness to the situation and problems that we are discussing. A careful look is required at what the Canadian Federation of Agriculture had to say on behalf of Canadian farmers. I should like to quote briefly from their statement, and I shall try not to duplicate those sections quoted a short while ago by the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam). Among other things, they had this to say:

> Bill C-244, the Prairie Grain Stabilization Act, must be judged and dealt with against the reality of the depressed income position of prairie grain growers and the need for adequate measures of income protection, as well as grain receipts stabilization, not only today but in the longer term.
>
> The bill itself must be dealt with in two parts:
>
> 1. The vitally necessary payments to be made to prairie producers as so-called "Special Transitional Payments" in the amount of $100 million. These are urgently required.
>
> 2. The long term stabilization and storage policies contained in the bill. These require much improvement.
>
> The federation can in no circumstances view these two parts as conditional upon one another in dealing with this Bill. They should not be and need not be, conditional. We cannot accept the assumption, as a ground rule set by the government, that to get the immediate payment the long term policy must be accepted.

They go on to say this:

> It is clearly and unmistakably the federal government's responsibility to ensure that the special payment is made and made soon, while also ensuring that adequate opportunity is given for the consideration, modification and improvement of the long term proposals contained in the bill.

Then, the Federation of Agriculture pointed out the urgent necessity of immediately supplementing the incomes of Prairie farmers, which is clearly evidenced by the disastrous figures on farm income which were recently released by Canada Statistics. The brief continues:

—there is little doubt that grain growers are operating on a net loss basis or close to it in western Canada. The net realized income for example to all of Saskatchewan agriculture was $200 million in 1970. In the years 1963-67 it averaged $435 million. If "income in kind" is deducted from these figures the change was from $368 million to $131 million.

Then, the Federation summed it up in this way:

The Saskatchewan example is used because it illustrates most clearly the grain grower's disastrous income position, which for grain growers will be the same in the other Prairie provinces.

There is a reference, then to the helplessness of the farmer in dealing with some of these problems:

As a direct result of world market conditions over which he has no control and little possibility of predicting or anticipating, plus heavily subsidized competition from other exporters, the prairie grain purchaser has undergone, and continues to undergo, this vicious and disastrous shrinking of his income. We must insist that improved support of the level of farm income among prairie producers, and continuing, major support to prairie income from the federal government in face of present and prospective world conditions, is a necessity.

It must be recognized that this bill is clearly designed to place definite limits on the federal obligation to support prairie income—

I would draw to your attention, Mr. Speaker, that what they call for here is not just stabilization but additional support for prairie farm income; and certainly this is one part of the picture that we need to consider. The brief continues:

• (2:40 p.m.)

Consider that the likely federal financial obligation under this policy (which includes the termination of the Temporary Wheat Reserves Act with no replacement of it by an alternative and better national storage reserve stocks policy with federal sharing of costs) is less than has been undertaken by the government through the Temporary Wheat Reserves Act alone in the course of the last 15 years.

The federation goes on to call for a two-price system and for changes in the formula in respect of grain stabilization. Their basic recommendations are that transitional payments must be made immediately, and not be made conditional either upon acceptance of the rest of the bill as it stands or upon its rapid passage. The second recommendation is that aside from transitional payments the bill is not acceptable as it stands. The federation then states that while it supports the principle of a stabilization policy, there are certain changes which must be made in the bill.

In this bill we are dealing with the principle of emergency payments to prairie farmers. We are also dealing with a permanent stabilization plan which the government proposes to introduce. I think I made it clear in my remarks that we consider the transitional payments or emergency payments to be totally inadequate. The provisions of this bill are not going to rescue the prairie farmers from the morass in which they are at the present time.

I have also made it clear that we regard the stabilization plan as being not good enough. It is, in fact, totally inadequate. It does not do the job envisaged by the government or by the task force and is not a plan acceptable to the western farmers. Thus, we feel that further consideration does need to be given to this matter. Therefore, I should like to move, seconded by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas):

That Bill C-224 be not now read the second time but that it be resolved that in the opinion of this House the said bill should be withdrawn and that the government should consider introducing a new bill that would increase the amount of the proposed special transitional payments to $250 million and that would relate the proposed grain stabilization plan to an adequate level of farm net income which takes into account increasing costs of production.

I recommend this amendment to the House as being one which would, in fact, achieve some positive results for the farmers of western Canada.

Mr. Deputy Speaker: Order, please. Hon. members have heard the amendment moved by the hon. member for Regina East (Mr. Burton). The question the Chair has before it is whether it may be accepted from a procedural standpoint. If it is acceptable within the precedents and practices of this House, the Chair would be anxious to make that ruling. I have to express an initial concern and ask hon. members whether they would like to assist the Chair in its consideration of the amendment. My concern relates to the well established practice that a reasoned amendment, which this purports to be, must oppose the principle of the bill. It would seem to me that this does not oppose the principle. The hon. member, in his closing remarks, referred to what he felt were the two principles of the bill. It seems to me this amendment might extend one of them but does not, in fact, oppose either. I would invite the assistance of hon. members on the procedural point.

Mr. Burton: I appreciate the point Your Honour has raised in respect of my proposed amendment. I submit that it is in order because, as you have pointed out, this is a reasoned amendment and does in fact propose an alternative which opposes the principle of the bill as it is now before us. There are two major points I should like to make.

First of all, I would draw Your Honour's attention to the fact that this bill provides for the expenditure or allocation of moneys. The bill does involve the government's responsiblities and the power of government initiative in dealing with money matters. There are very limited ways and means available to the opposition to make its point of view known in respect of moneys it feels should be allocated for whatever plan is finally devised. I am suggesting that, while it is not possible for us to move directly that there be additional moneys spent, in fact what we are proposing here is a resolution expressing the opinion that the government should consider an additional expenditure of money and an additional commitment for the purposes outlined in the bill.

Second, I would submit to Your Honour that in the amendment as I have framed it, there is an alternative which is opposite or in opposition to the principle of the

bill as it is now before us. As your Honour has mentioned, there are two basic features of this bill. There is the feature dealing with emergency payments and the feature dealing with the stabilization plan. The emergency or transitional payments portion of this bill provides for the expenditure of $100 million. We have proposed that consideration should be given to increasing that amount to $250 million. I suggest, in fact, there is some difference in principle between suggesting two figures of a totally different scale or magnitude. The bill proposes $100 million and we are suggesting that $100 million will not do what the government thinks it will do. We are proposing a much larger figure which we think will be adequate to achieve the purpose the government has in mind in making transitional payments.

In respect of the stabilization plan, and this is really the key part of my submission, the government in Bill C-244 is not just asking Parliament to approve the principle of stabilization as such. It is not just asking Parliament to approve some guidelines for the expenditure of a certain sum of money. It has laid out very specifically, and in great detail, a particular plan it would like to see in effect. It has spelled out the formula to be used in the application of that plan. This is all spelled out in this legislation. What we are suggesting is that the plan proposed by the government is not adequate. We are suggesting guidelines and the principles which should govern the government in bringing in a new bill which we feel would be more adequate in achieving the objectives hoped for in this piece of legislation.

Mr. Lang: Mr. Speaker, I should like to deal with only two points in submitting that the amendment is clearly not in order. A reading of the amendment indicates that its basic sympathy is for the kind of bill now before the House, rather than being opposed to the principle of that bill. The suggestion that an additional amount of money is in opposition to the principle ought not to be taken seriously.

The other matter is likewise a matter of detail, and suggests a variation of a proposal in the bill. The amendment is not in opposition to the principle. I refer Your Honour to citation 389 of Beauchesne's in relation to anticipating amendments which could properly be brought before the committee. I recognize the hon. member's problem regarding the amount of money in the recommendation, but suggest that is a problem he has here as well as in the committee.

As far as the other details of the amendment are concerned, they are such that they can be raised in the committee.

• (2:50 p.m.)

Mr. Douglas: Your Honour expressed some concern as to whether the amendment opposes any principle in the legislation. It seems to me that the principle contained in Bill C-244 deals with a stabilization plan which is based on cash income over a period of years and which represents, in the opinion of those of us who support this amendment, really a redistribution of poverty and the setting of prices at levels which are completely inadequate. We are suggesting here a totally different plan. Rather than a stabilization plan, we are suggesting an income support plan which would take into consideration the increased cost of production and which would deal with net farm income rather than gross farm income. It seems to me there is a vital difference in principle. Whether one calls one a stabilization plan and the other a farm income support plan would seem to me to make a great deal of difference in respect of the principle contained in the bill on the one hand and the amendment on the other. For that reason, I believe there is a very different principle in the amendment as compared to the bill itself.

Mr. Deputy Speaker: I should like to thank hon. members for their assistance on the procedural point. I am prepared to rule on it. For the benefit of hon. members, and for my own information, I should like to refer to the proposed amendment of the hon. member for Regina East (Mr. Burton) which I appreciate is an amendment at the second reading stage. The amendment is as follows:

> That Bill C-244 be not now read the second time but that it be resolved that in the opinion of this House the said bill should be withdrawn and that the government should consider introducing a new bill that would increase the amount of the proposed special transitional payments to $250 million and that would relate the proposed grain stabilization plan to an adequate level of farm net income which takes into account increasing costs of production.

The Chair did express initial concern and asked hon. members to assist it on the procedural point. I thank hon. members who have done so. My initial concern was that the amendment, at first blush in any event, did not seem to oppose the principle of the bill.

Hon. members know that the rulings and authorities in relation to reasoned amendments which may be accepted as procedurally correct by the Chair are well set out in the authorities which guide us in these matters. I might refer to the 17th Edition of Erskine May, at the bottom of page 526 and the top of page 527. I shall quote:

> "Reasoned Amendment."—It is also competent for a Member who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move what is known as a "reasoned amendment." This amendment is to leave out all the words in the main question after the word "that" and to add other words; and the question proposed upon the amendment is, that the words proposed to be left out stand part of the question. A reasoned amendment is placed on the paper in the form of a motion and may fall into one of several categories.
>
> (1) It may be declaratory of some principle adverse to, or differing from, the principles, policy or provisions of the bill.

I think that is the relevant part of the citation. There is one other part that might relate to the problem before us. I refer to the second example which is given:

> (2) It may express opinions as to any circumstances connected with the introduction or prosecution of the bill, or otherwise opposed to its progress.

I wish to confirm my initial thought on the matter which I expressed to hon. members. The proposed reasoned amendment does not, in fact, oppose the principle of the bill. The hon. minister has argued this point. As I indicated in my initial remarks, I have to come to this

conclusion. The hon. member who moved the amendment and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) argued the other side of the coin. With respect, however, I feel there is not opposition in principle expressed in this amendment. As I understand it, the principle of the bill relates to the proposition that there should be a transitional payment of an amount of money to the people who will benefit under the bill and that a fund should be established for further stabilization. With respect, I suggest that the amendment does not oppose the principle of the transitional payment.

The amendment asks that the bill be withdrawn and that the government consider the introduction of a new bill to increase the amount of the proposed transitional payment to $250 million. In other words, what is proposed is an increase rather than an objection to that part of the bill. The proposed amendment would provide further that this new legislation would relate the proposed grain stabilization plan to an adequate level of farm net income which takes into account increasing costs of production. The hon. member for Nanaimo-Cowichan-The Islands has argued very forcefully that this is opposed to the principle of the stabilization plan and is another plan. I really cannot agree with him because on the plain wording of the proposed amendment it is requested that the new bill would relate the proposed grain stabilization plan to an adequate level of farm income. It would seem to me there is nothing in the proposed amendment which expresses opposition. It suggests a change in the grain stabilization plan but not opposition to the principle of the plan itself. Therefore, for those reasons, and under the authority I have quoted, I feel I must regretfully say I cannot accept the amendment from a procedural standpoint.

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, in taking part in this debate today, may I say I feel this is a very important piece of legislation. I hope the minister will not see fit to run back and cry "wolf" on the Prairies as he did a week ago when we were debating a very important bill in respect of advance payments on grain. I should like to quote from a press release issued by the minister:

> The Honourable Otto Lang today charged the opposition with deliberately working against the interests of prairie farmers by deliberately delaying passage of important new grains legislation.
>
> "It is simply a filibuster, and for no apparent reason," said Mr. Lang, who is Minister Responsible for the Canadian Wheat Board. "If it continues, it could cost the western farmers 100 million dollars this year."

That is a ridiculous statement. Does the minister think that members of the opposition should sit here and let the members of the government railroad through anything they want. I should like to place on the record what would have happened here just a year ago had it not been for the official opposition. Bill C-197 would have been law had it not been for the official opposition. This is the bill which is now known as C-176, in respect of which hundreds of thousands of protests have arrived in Ottawa in the past two weeks.

We can imagine what the situation would have been if that bill had become law overnight, as would have been the case had the official opposition not taken the very active part it did in opposing that legislation. Perhaps last year we were damned for our action, but today people understand what we were doing and why we did it. We objected to that legislation for perfectly good and sound reasons. This is evidenced now by the strong protests which are rolling in from western Canada in respect of this terrible legislation which would have been on the statute books today, covering cattle, hogs and everything else which the farmers certainly do not want, if the opposition had not opposed it.

• (3:00 p.m.)

I also say, Mr. Speaker, as has been said previously, that the minister is not even playing smart politics in suggesting that we must pass legislation like this forthwith. Surely it would have been better if he had come forward with an interim payment for farmers so they might have had the cash which they badly need. The minister could have called for an interim payment and produced this money for farmers, instead of attempting to throttle the opposition with the threat that if they did not permit this legislation to pass no money would be paid out.

People out west are no longer serious about this minister. One year ago he came up with the Lift program. I am sure that all hon. members remember that initially he suggested that $140 million would be paid out under the program. Then he reduced the figure to $100 million, and finally the government paid out $53.7 million. I am still getting letters from poor little farmers who feel they have been gypped because they have not been getting what they are entitled to. So people out west do not think we in the opposition are crying "wolf". The people out there feel that the minister has come up the easy way in life and has never gone through the hardships that some of them went through. They will not be too hasty in climbing down somebody's throat when they think that we are working in their interests.

The farmers of western Canada badly need this money. Recently, the Canadian Federation of Agriculture presented a brief, a copy of which went to most hon. members. That federation is a responsible organization. They said in their brief:

> Bill C-244, the prairie grain stabilization act, must be judged and dealt with against the reality of the depressed income position of prairie grain growers and the need for adequate measures of income protection, as well as grain receipts stabilization, not only today but in the longer term.

That shows what we are up against. If the minister has not read the brief, he should do so, because I think it would do him good and would give him some idea of just how short cash is in the west. The brief reads on page 2:

> While official statistics do not separate out grain and livestock production on a net income basis, there is little doubt that grain growers are operating on a net loss basis or close to it in western Canada. The net realized income, for example, to all of Saskatchewan agriculture was $200 million in 1970.

In the years 1963-67 it averaged $435 million. If "income in kind" is deducted from these figures the change was from $368 million to $131 million.

Those are some of the factors the opposition must consider. Surely the minister has some responsibility in this area. Instead of trying to force a bill of this magnitude through the House and threatening us with withholding payment to farmers unless it is passed quickly, why did the minister not suggest an interim payment for farmers and for grain growers whose needs are dire and pressing? If there had been an interim payment we would have had time to thrash out this bill in committee and in the House and bring down good, sound legislation.

This program will not operate for just one year; the stabilization plan will operate for a long time and we ought to arrive at good, sound legislation. If the minister had been a smarter politician he would have put a little money into the pockets of farmers and Ross Thatcher could have called the election that he is holding up for want of cheques. Perhaps the Liberal party could have found a candidate in Assiniboia for the by-election if the government had put money into the pockets of the farmers of western Canada. As it is, Mr. Thatcher is trying to hold off an election. He wants to know what the federal government will pay to the farmer. Mr. Thatcher knows that unless the western farmer has money in his pocket he will be in trouble.

Only yesterday I met a boy from Weyburn. He came up from the riding of the late Ab Douglas. This lad said to me, "Mr. Cadieu, who is representing Mr. Douglas's riding? I know Mr. Douglas is no longer here." I said, "I don't know. The government has only Mr. Lang representing a constituency out here, and he is pretty busy right now. Somehow, I don't think he will be back here after the next election."

An hon. Member: That's wishful thinking.

Mr. Cadieu: I said to the lad, "Possibly I can help you." I took him around and tried to get him the information he was looking for.

I could talk a great deal about this important legislation. Many farm organizations have presented good briefs on the subject. Surely the minister could have utilized the research staff in his office and come forward with a suggestion under which we could get an interim payment into the farmers' pockets. Farmers out west badly need this money. The minister should have done that, instead of fiddle-daddling in this manner. Instead of bringing before this House legislation that he knew would not be acceptable to members of the official opposition or of other opposition parties, he should have done as I have suggested. I think it is high time we quit this fiddle-daddling around.

Let us stop playing hide-and-go-seek with the farmers of western Canada and people in all walks of life. I am sick of seeing this kind of monkey business going on, because the minister seems to be saying, "Either you pass this legislation right away or the farmers of western Canada will not get the money. You are holding up the money which is to be paid to these farmers." It is high time we got away from that approach and got down to business.

Mr. Lang: Hear, hear!

Mr. Cadieu: It is no use suggesting that only in the last month or two farmers have been placed in a straitjacket; they have been in it ever since this government took office.

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, may I begin by quoting what somebody has said about the government's prairie grains policy:

—until there is a more definite understanding by producers of the program proposed by the government or until it is implemented and its effectiveness can be assessed, it appears prairie grain producers will continue to express apprehension and concern about these policy changes which ultimately will not only affect the grains industry but everyone in Canada.

In addition, Mr. Speaker, I express very strongly the need for price protection for the producer through the initial payment system. On page 8 of the brief of the Canadian Federation of Agriculture we find the following passage:

We recognize that the present bill does provide in effect that shortfalls in initial payments are paid by the federal government. We think that maintenance on an adequate level of prices is in principle a direct responsibility of the federal government because of the helplessness of the prairie farmer in the face of severe and subsidized international competition. We are however inclined not to quarrel with the cost-sharing feature of the proposal. Our point is that initial payments should be used as an income supporting mechanism.

• (3:10 p.m.)

This afternoon we heard about the $100 million. We heard about it a year ago, Mr. Speaker. What was put in the hands of the prairie grain producers? It wasn't $100 million. May I ask the minister what the exact figure was?

Mr. Speaker: Order. The hon. member can ask the minister a question, but if the minister replies he will have the floor and—

Mr. Gundlock: I don't think—

Mr. Speaker: Would the hon. member resume his seat? He wishes to ask the minister a question. If he does, then I say that if the minister speaks now he will close the debate.

Mr. Gundlock: Mr. Speaker, we considered a sum of $100 million last year. I want to ask how much found its way to the prairie producers.

Mr. Speaker: Order, please. The hon. member knows the rules of the House. The hon. member now has the floor. If he asks a question and the minister answers, the minister will close the debate. The hon. member should make his speech, and presumably when the minister replies he will answer the hon. member's question.

Mr. Gundlock: I appreciate your ruling, Mr. Speaker, and I fully realize I should not be doing this—but as a matter of fact I rather enjoy it. When the minister is

replying to the debate I hope he will provide us with the exact figures.

I quote from *Hansard* of February 10, page 3265, as follows:

—we have the highest rate of unemployment in the western world.

We still have the highest rate of unemployment in the western world. In this situation I do not see how the House can accept this bill. How can we, when we are looking forward to a budget and to a new tax bill?

About three weeks ago I was in Three Rivers, where a quarter or half of pork was being sold at 19 cents a pound in the store and beef was selling for 39 cents a pound. How do we relate this $100 million to that? What happened to the $100 million last year? I am a producer, and I did not get any part of it. There was not $100 million then, and this $100 million will not be paid out either.

I hope that when the minister replies he will give us an honest answer, because it is time we had an honest answer in this House. When I raise a pig I may be able to sell it for 29 cents a pound. What does the fellow who raises a pig in Three Rivers get, if pork is being sold at 19 cents a pound in the store? He must be getting about 5 cents a pound. None of the $100 million was spent in Alberta, and none of it in Quebec. I look forward to the minister's reply.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I will not detain the House because I see the minister is anxious to close the debate. Obviously, it will take him at least the time remaining between now and four o'clock, and probably several hours more, to answer the serious charges that have been laid against the government and himself in connection with this legislation. Therefore, I wish to give him every opportunity to answer our questions before the bill goes to committee, as I assume it will.

We do not like the bill. We think it is bad legislation. We think there is a very faint glimmer of light and hope that there is a principle involved in it which, with adequate surgery and changes, might become legislation of some value to the farmers of western Canada. So our inclination is to register our opposition to the bill in its present form and let it go on division, but to make it abundantly clear to the minister and the government that unless they are prepared to accept good amendments in the committee or at the report stage we will feel free to vote against it on third reading.

• (3:20 p.m.)

I want to make this quite plain. In our view, this bill is one of the legislative and administrative proposals advanced by the government which constitutes a form of economic genocide against the small farmers of this country and in particular the small and average farmer of western Canada. There is no doubt, in spite of what the minister said, in spite of what the Prime Minister (Mr. Trudeau) said, and in spite of what the Minister of Agriculture (Mr. Olson) said, that this government has charted a firm and definite course which can only result in depopulation of rural areas, with fiscal and other devices of this kind compelling people to move to the cities. I am not going to debate that issue, but I think the policy is wrong. Our party has taken a constant position against this kind of program. We think it is part of the legislative scheme, part of the device which the government has outlined and which it is in the process of putting through this House in order to achieve its objective.

There is a weakness and lack of pressure in connection with international wheat agreements. This government has a sad and sorry history on this issue. The minister may refer to agreements being made with this country and that country, but we must have sales of grain at an adequate price and under agreements honoured by the countries involved which will have the effect of producing sufficient revenue for the farmers of this country.

The minister was not very helpful when he followed the lead of the Prime Minister in suggesting that there was a filibuster on this bill. As he knows, when the government introduces good legislation we support it. We have not had much occasion to do this. But when the government introduces legislation which is not sound, and this party or my friends to the left feel it is bad, we will oppose it. We will oppose it to the length necessary to acquaint the people of Canada with its weaknesses and defects. This is when the government screams "filibuster" and "obstruction".

Does the government not think that we have a duty as an opposition party or as private members, whether on this side of the House or the other side, to point out the weaknesses and defects in legislative programs? Have we not a responsibility to point them out long enough so that the amber light will be flashed in the country and the people will know that they are approaching a dangerous situation brought about because of bad legislative proposals made by the government?

Let us consider the statement made by the minister when he introduced this bill. He outlined it in a comprehensive manner, dealing with the entire legislative proposal, dealing with the amendments to the Wheat Board Act which are coming in, dealing with the amendments to the Prairie Grain Advance Payments Act, and so on. The minister says that these are part of the whole program, that put together they are all good. I repeat, and I hope he is listening, that the government is planning a form of economic genocide for the small farmers of this country.

In order to judge the government's conduct today and its proposal for the future we must look at its record in the past. The minister talked about rapeseed and legislation coming in to deal with this question. On the question of stabilization of farm income this is tremendously important, but what is the record of this government and the Liberal party in regard to rapeseed as a means of stabilizing farm income? During the last war the then Liberal government introduced a program to encourage the growing of rapeseed in those parts of Canada suited to it. It was grown as a substitute for a marine lubricant

not then obtainable in Canada because of wartime conditions, and the price was fixed at six cents per pound.

A great many farmers, including many in my area of Peace River, grew rapeseed as a means of stabilizing their income. But what happened when the war ended? The materials for which rapeseed was a substitute were brought in. Mr. Ross, a former member of the Liberal party, and some of the farming community attempted to establish rapeseed as an additional crop in western Canada. Mr. Ross sought from the Liberal government of the day an agreement that rapeseed would be brought under the Railway Act at the Crowsnest Pass rates in order to encourage people to grow it. An attempt was made at that time to persuade the Department of Agriculture to develop other uses for this crop for the sake of farmers in western Canada, but the Liberal government of the day rejected these proposals out of hand.

After the 1958 election, with a number of hon. members from this House, including Mr. Rapp who was at one time whip of this party, I attempted to persuade the government and the then Minister of Agriculture, now the hon. member for Calgary Centre (Mr. Harkness), that there was a future for rapeseed in western Canada. We felt that it would have an effect in establishing farm income, which is the objective of the legislation we are now considering. We took the initiative, and with the encouragement of the government appeared before the then Board of Railway Commissioners as witnesses. Eleven or twelve Members of Parliament from western Canada fought this case before the board in an attempt to secure a judgment that rapeseed was a grain within the meaning of the Railway Act. The few Liberal members from western Canada who were around at that time made no attempt to join us in this project. We lost the case but we did excite the interest of a great many people.

With the further encouragement of the government, the hon. member for Calgary Centre, then Minister of Agriculture, and the hon. member for Prince Edward-Hastings (Mr. Hees), then Minister of Transport, the Railway Act was amended and rapeseed was declared to be a grain. The Department of Agriculture then launched a program which has since led to greater and more effective use of rapeseed as an alternative and additional source of revenue to stabilize farm income in western Canada. The Liberal party, then the official opposition, did nothing to assist in this program. I point that out, Mr. Speaker, as an illustration of the fact that as far as the Liberal party is concerned western Canada can expect very little in the way of intelligent assistance.

• (3:30 p.m.)

An hon. Member: That is not right.

Mr. Baldwin: The refuge of weak minds is to say "That is not right." The hon. member does not know what he is talking about. If he did, I would engage him in debate. I simply leave it at that.

The minister is attempting to say to the opposition that when the government brings in legislation dealing with agriculture, because the Liberal party brought it in it must be good and we should accept it. During the period 1959-61 agriculture in western Canada was faced with a crisis. The then Prime Minister, the right hon. member for Prince Albert (Mr. Diefenbaker), and the members from western Canada formulated a proposal for acreage payments. We did not need to have legislation as a means of bribing the farmers, as is the case here. The minister shakes his head. Political bribery is the middle name of the Liberal party; they are experts at it. I do not approve of the procedural practice that was followed at that time, but in that case it was essential. An item was inserted in the estimates and the acreage payments were made quickly and simply. Subsequently, other sound, useful agriculture legislation was introduced. I suggest a little humility and learning to the minister. He should study history. If he examines what the Conservative party did when in power with regard to farmers in eastern and western Canada and with regard to agriculture, there may still be some hope of his becoming a good minister.

My colleagues dealt extensively with the defects of this legislation. I hope the minister will deal with some of the objections which have been voiced. In spite of what has been said, I hope that he will show that he has the kind of flexible mind which is necessary in connection with legislative proposals and that he will entertain amendments.

Instead of a program of farm stabilization which, as stated by my colleagues, stabilizes poverty in western Canada, we need a program which will improve the position of the agricultural community in the west in order to persuade the farmers to stay on the farms as useful and active members of our society. I hope the minister will be prepared to examine amendments which are offered and will not turn his head against them. I ask him to be reasonable in his approach. If that happens, there is a possibility that this bill, bad as it is, may be improved to an extent that will make it acceptable to this party.

If that is not the case, Mr. Speaker, I must tell the minister that there will be very strong opposition. There will be amendments to again indicate in a formal way what our objections are and what can be done to improve the legislation. I call the minister's attention to hon. members' proposals. I have talked about rapeseed. Surely there is a case to be made for a means of stabilizing farm income by providing facilities for processing rapeseed in various places in western Canada.

As has been suggested by my colleagues and members of the New Democratic Party, there is a case to be made for the immediate payment of the $100 million which has been referred to and which the hon. member for Meadow Lake (Mr. Cadieu) suggested may be the stumbling-block before the Premier of Saskatchewan calls an election. If he wants an election, that is fine. If he wants $100 million for that purpose, that has nothing to do with me. I am interested in seeing that the best things that can be done for the western farmers and the farm communities are done.

In closing this debate I hope the minister will engage in the same way as members of this party did in putting forward their case. I hope he will indicate his willingness to accept amendments so that when the legislation comes back at the report stage we will have a better bill that will do something for the people of the west.

Mr. Speaker: Order, please. If the minister speaks now, he will close the debate.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I wish to express to hon. members of this House my appreciation for the expeditious way in which they have allowed this very important legislation to be dealt with on second reading and to go to committee. I have been very disturbed by the tactics of some hon. members in connection with the legislation previously before the House. I was concerned that was some indication that they would hold up legislation without regard to the good of the farmers in western Canada. However, I thank them for now allowing this bill to go forward. The indication from the hon. member for Peace River (Mr. Baldwin) that we might expect the same kind of co-operation in committee leads me to hope that we may soon see this measure move forward into law for the great good of prairie agriculture and Canadian farmers generally.

Some hon. Members: Hear, hear!

Mr. Lang: In the course of my opening remarks I said, and I repeat, how firmly this government holds to the view that it is very important to assist farmers in every way possible who intend to remain in farming and who want to be sound farmers by giving them an opportunity which allows them to give their children a decent livelihood. This government wants to help these farmers in every way. I continue to urge all members opposite to recognize this firm view of the government and not to add to the troubles of farmers who are in difficult enough circumstances by indicating to them some broad and malicious intent abroad directed against them.

A great deal has been said by certain farm leaders and people in politics which is most regrettable. It is along the lines which only causes fear to farmers who want to make a success of farming. It is our intention to help them in every way possible by putting the system into the best possible state.

Much has been said about the nature of the stabilization plan before us. These expressions seem to slur the scheme as stabilizing income at low levels. As I pointed out in my opening remarks, this scheme assures that income will not fall below certain levels. It in no way puts any hindrance or dampening upon the prospects which we see ahead with regard to rapeseed, to which the hon. member referred, and the other basic crops on the Prairies and the prospect of ever-increasing sales and an ever-growing share of international markets for Canadian grain.

We see a rising income prospect through aggressive competition in the world markets today with regard to wheat and coarse grains. With regard to coarse grains, the name of the grain may be barley today and another day it may be something quite different as experimentation and development make for better grains, better feed per acre and a better total income for the prairie farmer.

This plan assures us against drastic downturns in income which have so terribly afflicted the prairie farmers each time market conditions, climate conditions and our probable buyers and competitors cause a serious downturn in world trade. The farmer is cushioned against that by an assurance of being brought up by a payment out of the stabilization fund to the average of the previous five years. I will certainly be glad to talk to the farmers about whether that five-year period is the right one or not. This is not an outrageously low point from which to start, though some have suggested it is.

• (3:40 p.m.)

When we begin the first year, the five-year average will be based on what will be our best and our second best grain receipt years on record and on what probably are, in the case of the other three, our seventh, tenth and eleventh best years. So we are not near the bottom point. We expect that rapeseed sales, as well as sales of barley, will increase. The plan does provide in principle that over a period of time a farmer's receipts from grain will be 104 per cent of what they would have been but for the plan.

A good deal has been said about the fact that 2 per cent of a farmer's gross income is a very significant amount, much higher than 2 per cent of his net income would be. But I would point out that the government has a commitment to double that amount by paying into the scheme 4 per cent of the gross. If 2 per cent of gross income is a significant proportion of a farmer's income, surely 4 per cent as the amount added to farm income represents a contribution of even greater significance. We should bear this in mind as we consider the legislation in detail.

I should also emphasize that the government's approach to prairie grain involves a specific and definite commitment to prairie farmers. Reference has been made to the Temporary Wheat Reserves Act, to the fact that under it significant sums were paid to prairie producers. But it was leading to an improper use of the handling system and this was costing the farmers money. Twice as much barley was delivered and went through the system at the same cost as half as much in previous years.

The same was true of wheat. The act was producing an amount of wheat in storage at a cost to farmers which was excessive. With the new need for the system to handle barley and rapeseed there was no way in which we could keep the former amount of wheat on hand and continuation of the act would have meant little to the farmer anyway. We have replaced it with a scheme which will put into the hands of farmers 4 per cent of their gross income, representing a sum in the order of $40 million in the immediate future and a rising figure thereafter.

I should like to refer to other things the government has done in increasing its commitment to western

agriculture. I could refer to all the items in this area, which total about $300 million. Compare that with farmers' net income and appreciate that their net income, almost in total in the Prairie region, results directly from action taken by this government.

Some hon. Members: Hear, hear!

Mr. Lang: Reference has been made to approximately $60 million which has been paid out under the Lift program. An hon. member noted that this was not as much as farmers could have obtained if they had taken greater advantage of the scheme. We knew the Lift program was a difficult plan and that it made unusual demands upon farmers, but we were also aware that it was a means of placing additional cash income into their hands. We hoped this would amount to about $100 million, though in fact the amount disbursed was in the neighbourhood of $60 million. I would remind hon. members that $40 million has now been set aisde in connection with a forage incentive program. Opposition speakers ignored this completely when considering the commitment of the government to agriculture.

I should also remind the House of the $10 million per year set aside for market development, confirming our view that market development is the key to future solution of most of the problems of prairie agriculture. We do not know at this time the circumstances in which farmers may find themselves in years ahead. We shall always have to watch the situation carefully and we cannot rest on the assumption that any particular plan or set of plans is in itself adequate.

I have pledged that we will continue to watch the income situation. We must first of all promote sales in every possible way and then judge to what extent the pursuit of sales may have helped farmers to better their position. On the sales front, this year exports of grain have totalled 442.2 million bushels, 60 per cent higher than the 280.8 million bushels at the same time a year ago. Wheat exports are 29 per cent up, sales of barley are at record levels and exports of rapeseed have doubled. New records have been set in each case. This is not just a matter of comparing one year with the previous year; there is every prospect that this year exports of grain will reach an all-time record level.

We do not know at this stage how prairie farmers will stand as to income if for some years we can maintain or expand this kind of selling picture and allow producers to be as effective as they know how to be, but were not able to be as long as grain was not moving.

I was particularly perturbed by the misleading statement made in this House at the beginning of the debate by the hon. member for Vegreville (Mr. Mazankowski), who I regret is not in the chamber now. Referring to a Wheat Board report, he indicated that many of our customers were in default on their commitments to buy grain from us. So serious is this kind of misstatement—many similar misstatements have been made in the course of this debate—that the Wheat Board found it necessary to put out a correction, drawing attention to the fact that, as was made clear in the report, only one of our customers was in default and that the others were taking grain in accordance with the agreements signed. The board was most concerned lest misleading statements of this kind might damage our position in the eyes of buyers and potential buyers. Such a statement should surely not be made before the facts have been determined.

Proposals have been made to the effect that net income should be taken as the basis for determining contributions to the stabilization fund. The difficulty here lies in finding a formula which would determine net income fairly and determine it with all the variations which exist from farm to farm, from district to district, from individual to individual. It is impossible to determine net income in a way which would not penalize the good farmer as compared with the average farmer. The truth is that the gross receipts basis in one which allows the individual farmer who can do better in terms of his farming operations to do better, as well, in terms of the marketing operation and the stabilization fund.

This is a principle which will, I think, commend itself to the free enterprisers on the Prairies, the farmers who are in fact maintaining, at some income cost, their ability to stand on their own feet and be their own masters. I look forward to this important measure finding speedy passage through the committee as it has through the House of Commons, so that we may take this significant step as part of our total package of proposals to help the interest of the prairie grain farmer.

• (3:50 p.m.)

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

Mr. Baldwin: On division.

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

Mr. Jerome: Mr. Speaker, if we might call it four o'clock, there has been agreement that in private members' hour today we will proceed with Bill C-47, which stands in the name of the hon. member for Moose Jaw (Mr. Skoberg). If the House agrees, we could call it four o'clock and commence private members' business.

Mr. Baldwin: Mr. Speaker, we would be willing to call it four o'clock. I am sure that the minister who will be opening the debate on the next bill is exhausted after his efforts to muster argument to support the last bill, so we would be prepared to let it go.

Mr. Barnett: Mr. Speaker, if agreement is arrived at I take it you will be seeing five o'clock a little before five o'clock.

Mr. Speaker: It is so agreed. Private members' business will extend for one hour from this moment.

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

PRIVATE MEMBERS' PUBLIC BILLS

RAILWAY ACT

PROVISION FOR REPORTING EQUIPMENT OR ROADBED DAMAGE TO CANADIAN TRANSPORT COMMISSION AND MAKING REPORT PUBLIC

Mr. John L. Skoberg (Moose Jaw) moved that Bill C-47, to amend the Railway Act (notice of accidents), be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, I am sure many members of the House wonder what similarity there could possibly be between the debate that has just finished and the bill before the House now, but I am sure they will agree that there is quite a similarity between the grain stabilization bill and this bill. All hon. members realize that whenever there is an accident on the railway, the rail pipeline is blocked. This means that the customers who use the rail pipeline are affected directly. Up to this time, all too often situations have arisen where the railway pipeline does become blocked, yet nobody knows why or just what actually caused the accident. Hence I am moving this bill.

The main provision of the bill requires railway companies as soon as possible, and immediately after the head officers of the company have received information of a collision, derailment, or other accident resulting in death or injury to any person or damage to equipment or roadbed, or whereby any bridge, culvert or viaduct or tunnel on or of the railway has been broken or so damaged as to be impassable or unfit for immediate use, to give notice thereof with full particulars to the Canadian Transport Commission.

Subclause 2 deals with notice by employees and provides:

> The conductor or other employee in charge of the train, place or structure in connection with which such accident occurred, shall as soon as possible after such accident notify the commission of the same by telegraph.

The purpose of this bill is to make it mandatory that all accidents to equipment or roadbed, the damage to which exceeds the amount set in subsection 3, be reported to the Canadian Transport Commission. In the past, accidents involving damage to roadbed other than bridges, tunnels, viaduct or culverts were not required to be reported. The further purpose of this bill is to deny the commission the right to declare accident reports and investigations privileged material. It is felt that the public interest is much better served when there is full public disclosure of all accident reports.

It appears that whenever an accident occurs on the railway, the Canadian Transport Commission has the right to determine whether or not an investigation into the accident will be considered privileged. I contend that whether or not such accident is due to mechanical failure or human error, it is in the public interest to disclose the reason for the accident in order that all concerned are made completely aware of the cause. The public has the right to know the reasons for and causes of railway mishaps, in the same way as they learn of the cause of air and sea accidents through the medium of public inquiries. All members of the House realize that in many cases public inquiries are held into air and sea accidents but seldom, if ever, do we hear of a public inquiry being held into a rail mishap.

I am especially pleased that at the present time the Canadian Transport Commission is holding a public inquiry into the general safety of rail operations. The chairman of that commission, Mr. Jones, is to be congratulated on the way he is conducting the inquiry, an all-extensive inquiry which I hope will make recommendations. Recently there was a rail mishap in the Fraser canyon and three men lost their lives through no fault of their own but as a result of the negligent maintenance of the roadbed, thus endangering not only the operating employees but the travelling public.

I am strongly opposed to any general order or act giving the Canadian Transport Commission the power to declare the extent to which information concerning accidents given by the railways may be privileged. If a veil of secrecy surrounds an accident, everybody usually assumes the worst. It also appears to me that privileged information can only be justified when matters affecting our national security are concerned. It cannot be said that our national security is in jeopardy by making public the cause of and responsibility for railway mishaps. The Canadian Railway Labour Association have consistently urged that this type of inquiry be made public; that it is in the public interest to ensure that there will not be any privileged material held back by the Canadian Transport Commission or the railway companies if in fact hazards to safety are created by operations of the transportation system.

Let me just refer to the situation in the United States. The National Transportation Safety Board, which was created by the United States Transportation Act, 1966, came about as a result of the kind of thinking that has been expressed here and similar conditions to ours which exist in the United States. The safety board determines the cause of accidents through direct investigation and public hearings, and although structurally located within the department of transportation it is an autonomous agency.

I suggest that a similar type of agency should be set up within the present framework of the Canadian Transport Commission for which the Minister of Transport would have responsibility. The establishment of a similar board or agency in Canada at the earliest possible moment is a most important consideration in order to bring before the public the cause of accidents instead of leaving the public in the dark. As hon. members of the House know, the rate of accidents on the Canadian railroads today is a high one. Almost every week we pick up a paper and see a report of an accident somewhere along the system. We all know that we never really find out the cause of such accidents.

Railway Act

• (4:00 p.m.)

I refer to a bulletin issued in 1969 by Canadian National Railways. It is addressed to all section foremen in the southern division of the Saskatchewan area. I am sure what is suggested here in respect of the CNR is applicable to the CPR and other railroads operating in Canada. It states:

> Following has been received from regional engineer in connection with derailments:
>
> "As you are no doubt aware, the increasing number of derailments account track conditions is a matter of grave concern throughout the railway industry as a whole. This concern is becoming more apparent, not only in the United States, but in Canada as well."
>
> The incidence of derailments at switches has recently shown a sharp increase and would suggest that switch maintenance is being overlooked due to other work. With the increasing number of heavy loads, long trains, larger cars and locomotives, switch maintenance is of extreme importance and I would suggest that you give this matter your closest attention.

It is signed by the various roadmasters of the CNR for the southern part of the Saskatchewan area. I think there is a story behind that kind of bulletin. We know there are reasons for the derailments that are taking place. Until the most recent public inquiry being conducted by the Canadian Transport Commission there was not a public inquiry to determine the cause of derailments. It is imperative that we have public inquiries into individual situations throughout the railway system in Canada in order to offset the increasing number of derailments and wrecks.

I am sure we all know the reason for the wording of section 288 (3) of the Railway Act. It provides:

> The board may by regulation declare the manner and form in which such information and notice shall be given and the class of accidents to which this section shall apply, and may declare any such information so given to be privileged.

I sincerely urge that there should be an amendment to this act so that no information can be considered privileged. I realize that in many cases people will say human failure was involved and in the interests of protecting the individual this information should not be divulged to the public. Information is made available under the Public Inquiries Act in respect of any accident at sea or in the air. If a human failure is involved in an accident, this information is made public. I am positive that investigations have shown beyond doubt that cutbacks in manpower on the railway systems can be directly related to an increase in derailments and accidents. The bulletin I have read would indicate a need for additional manpower to look after switches on the system. I am sure that practical railway men realize that cutbacks in the number of maintenance of way employees have been responsible for part of the increase in derailments.

At one time maintenance of way employees rode the tracks in various types of vehicles. They were able to see what was going on, the condition of the trackage and its surroundings. They were able to observe a back-up of water and determine whether there might be a flood in the area resulting in a wash-out. Thus, they were able to prevent accidents. In many cases these maintenance of way people, on the instructions of the companies, travel in motor vehicles on the highway. You cannot possibly maintain proper track surveillance by observing conditions from a highway some distance away. You might see a wash-out, but that is after the fact and perhaps after a train has been derailed.

It is necessary for this House to consider the situation and improve the act. In view of the fact this is a private member's bill, I am sure it will be talked out. I suppose that is the law of the land to which we have become accustomed. Somewhere along the line a bill such as this should be sent to committee for consideration. Perhaps the government should take it upon itself, because of the seriousness of the situation, to send a bill such as this to committee for study. In this way, groundwork could be laid to avert derailments and the tragedy such accidents cause families of the injured.

We saw an example of this in the Kootenays recently. We must also consider the economic loss as a result of the stoppage of service on a section of the system. Surely government members realize there is a need to amend the present legislation. Perhaps we could adopt new regulations to correct some of the problems that now exist. Regulations of this type would also bring about better morale on the part of railroad employees. At the present time investigations are conducted by railway officials. They do not divulge the information relating to mechanical failure. The only time they are concerned is when there is human failure. It is in this area that we need change. Whether the cause of an accident is the result of human failure or mechanical failure, the resulting tragedy is the same.

I urge the government not to talk out this bill so that it will be dropped when private members' hour ends, but to give it an opportunity to go to committee where a proper debate can take place. Witnesses could then be called and amendments could be suggested, so that in future there will be public disclosure in respect of causes of railway derailments.

[*Translation*]

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the amendment to the Railway Act and particularly to Section 288 moved by the hon. member for Moose Jaw (Mr. Skoberg) certainly has much merit and is received with kind appreciation not only by the members of the House but also by the general public.

If we read the explanatory notes appearing opposite page 1 of Bill C-47, we find a rather complete summary of the purpose the hon. member for Moose Jaw had in mind in proposing the amendment before the House.

Therefore, what is the purpose behind the introduction of this bill by the hon. member for Moose Jaw?

In my opinion, he is seeking three important changes: first, the broadening of the meaning of the word "accident", by the inclusion in it of the term "equipment"; second, an increase of the powers of the Canadian Transport Commission, so as to exempt the employees of any railway company from the responsibility of reporting to the Commission any accident to equipment or property,

the damage to which is assessed at less than $1,500; third, to deny the Canadian Transport Commission the right to declare privileged information that it may have obtained on circumstances surrounding a railway accident.

In addition of the word "equipment" may not raise considerable or apparent difficulties, and it seems to me that the Minister of Transport would be prepared to agree with this principle.

• (4:10 p.m.)

However, allow me to point out that the addition of the word "equipment" could give rise to some complications in the eventual interpretation of the legislation, because it does not give any definition nor provide any amendment to clause 2 listing the definition of various terms of the Railway Act.

I agree with the sponsor, when he suggests the abolishment of the obligation for railway employees to report to the Commission any accident resulting in material damage under $1,500. At the present time, the limit is set at $750 and the department is seriously considering its abolishment, due to the insignificance of such damage and the present worth of assets.

It is true that under the present legislation the Commission is not required to divulge some of the information obtained after the accident or from the inquiry that followed.

Since we live today in a society where the government system, that is the state, is increasingly involved in the daily life of individuals through enactment of numerous welfare measures, it is normal to seek more and more information and to want the suppression of the confidential and secret nature of the information the government and its agencies have. I totally agree on that point.

As everyone knows, a privilege is an exception to the general rule, but some groups cannot understand or interpret the expression and try to give it the wrong meaning. There is a tendency to consider the privilege as an instrument in the hands of authorities to hush up the worst, to hide scandal, in short, to deliberately leave the people in the dark about facts they should know. If ever it has been the case, it was an exemption.

Indeed, hon. members know full well, and especially lawyers, that the principle of the privilege exists; the best example is found in the Canada Evidence Act, which grants anyone called upon to appear as witness before a court of justice the guarantee that his testimony will not be used against him in subsequent proceedings, criminal or civil. In that case, the privilege is recognized by law.

Another well known example is that of the relations between a lawyer and his client; all their contacts, information and discussions are privileged and cannot be divulged in court. I do not mean to learn you something about this, Mr. Speaker, as you are an expert in the legal profession.

In my opinion, this is the sort of privilege to which section 288 of the Railway Act refers. It relates mainly to communications between railway employees and their superiors in case of accident. These communications are privileged and cannot be disclosed in court, not because they were made on a confidential basis, but for the benefit of the legal advisors of the corporation, namely, the railway. Railway accidents often involve damage claims and as a rule company lawyers must be entitled to a complete and honest statement of facts so as to be able to decide correctly and resolutely on a course of action, and the opposing party can also have access to this same information in order to establish responsibility.

The Commission itself does not have the required jurisdiction to establish responsibility in a case of railway accident. Its duty is to know the facts in order to determine the causes of an accident and to prescribe the means to prevent the recurrence of such unfortunate and tragic events.

True, the public and the Railway Labour Association in particular do not appreciate that privileged situation, but I think that what matters here is to protect railway employees themselves against any retaliation that could result from their too great talkativeness. Furthermore, confidence at various levels in the company would be dangerously eroded and the efficiency of the employees would be greatly jeopardized, and the passenger service as well.

After listening to the explanations of the hon. member for Moose Jaw, I note that the basic principle of this bill is public protection against the increasing number of railway accidents in Canada. I can only commend the hon. member for not so long ago in Quebec we knew such tragical situations which, on one occasion, claimed the lives of thirty youths near Montreal. In my riding, several accidents killed five or six persons at the same time.

The bill introduced by the hon. member aims mainly at protecting the public and the member must be congratulated. The Canadian Transport Commission and the railways must continue improving their accident prevention system so that passengers may be assured of travelling with the greatest degree of safety possible.

[*English*]

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I should like to congratulate the hon. member for Moose Jaw (Mr. Skoberg) for periodically bringing to the attention of this House matters which are particularly pertinent to the railways of Canada. Having been born and raised in a railway community, I appreciate the problems faced by both management and employees in our great national railways as they go about their way of life.

I can well remember some very tragic accidents which occurred in the town of Palmerston during the period in which I lived there. However, one of the greatest tragedies that ever occurred in the town of Palmerston, which used to be an outstanding railway community, was when Canadian National Railways saw fit to withdraw all passenger service from the area. I believe this was a retrograde step in view of the fact that this area is and will be developing over the years and it will be necessary to provide an alternative transportation service.

After the hearings in that area which allowed the railways to withdraw passenger service from the area north and west of Guelph, I was particularly disturbed that the highway service to be provided, which was supposed to be commensurate with the railway service, did not prove to be adequate to meet the needs of the many communities in the area. Therefore I welcome this opportunity to speak on the matter of railways and accidents.

As I have said, I remember many tragic accidents on the railroad. As I did during the hearing before the committee, I object to the secrecy in respect of rail line abandonment hearings which allows the railways not to disclose full and complete information. The essence of the legislation before us is to correct this situation and I congratulate the hon. member for bringing it forward. We know that he has had many long years' experience in railroading at the grass-roots level, and he should be an expert in the field.

• (4:20 p.m.)

Many of us have felt that the facts of many accidents have not been divulged, and if they had been made known it is possible that further accidents could have been prevented. In his initial remarks the hon. member said that railroads have downgraded the servicing of tracks to such an extent that the possibility of accidents has increased. Even though there have been tremendous technological changes and improvements with respect to railway operation and maintenance, the human element still comes into it. People must still check lines. They must watch and look after railway lines. This is necessary if we are to prevent more serious accidents.

I think most of us are aware of new processes and programs which have been introduced by the railroads. We all know that large amounts of money have been spent. Here I am thinking of developments like the turbo train which was to operate between Toronto and Montreal and which has been so accident prone. I sometimes feel that if reports about accidents were not considered to be privileged material, members of the general public could add something to the investigations that are supposed to take place.

May I say here that when some of us appeared at inquiries held with regard to the abandonment of passenger services we were not given the opportunity to examine all the facts. We felt that relevant facts were withheld. I feel, as does the hon. member who introduced this bill, that there should be full and open disclosure by railroads and organizations such as the Canadian Transport Commission with respect to railway accidents, in order to make sure that the public knows the reasons for these accidents.

Sometimes accidents are blamed on the railway operators themselves, sometimes on track management personnel, and sometimes on those in higher-up management. It is time we were able to pinpoint the causes of accidents and lay the blame where it belongs, so that action may be taken in future to prevent the recurrence of accidents. The facts are not made public and are sometimes covered up in court proceedings. The public, therefore, is not made aware of what is going on.

[Mr. Howe.]

I agree with what the hon. member has said. The public interest would be much better served if there were full, public disclosure of all accidents. Since Canadian National operates at a considerable deficit that must be made good out of the public treasury—without this help the railway could not operate—I feel the company ought to be required to make full, public disclosure of facts surrounding accidents, to make sure that the public interest is being properly served.

Rail safety, Mr. Speaker, affects the lives of many Canadians. I feel that this type of disclosure would ensure that certain accidents would occur only once. I think that with public discussion the causes of such accidents would be eliminated much more quickly than might otherwise be possible. Some of the facts relating to accidents are kept secret. We hear that public disclosure is not possible in some instances because other, private railway lines are operating in the same area and it would not do to let competitors know the facts. That argument, I think, has been overworked. People in business know most of the time what their competitors are doing or they would not stay long in business.

I think the bogey that so many hide behind, that it is not in the public interest to make full disclosure of facts because they might assist competitors, is just that—a bogey. After all, we know that Canadian Pacific Railway does not breathe deeply without the CNR's knowledge. We ought to ignore this bogey that says there ought not to be full public disclosure because a competitor might take advantage of it. That, in my view, is a wrong attitude. I think that the facts surrounding accidents should be made public. All relevant information should be made available to those who are interested, in order that the public cause may be served.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in recent months the question of safety on our railroads has assumed more serious proportions, especially in western Canada where a number of lives have been lost and where a great deal of tragedy has ensued. There have been accidents which have resulted in death. Not long ago I received a letter from a Mrs. Penner. It is not marked "Personal" and I can therefore read it to the House. It reads in part:

> Nothing short of rock sheds and better patrols, or re-routing of the track in the area of mile 118.9 on the Ashcroft sub. will prevent another accident such as took the life of my husband and Mr. Dougan and Mr. Barry.
>
> I trust this will not end up a dead issue with no improvements made. It could be a passenger train as easily as wheat cars at the river bed. Lets not have such a tragedy.

The letter was signed by Mrs. Penner and her two youngsters. We must be concerned not only about letters of this kind from a lady who has lost a husband and father to her children, but about the possibility of other, similar letters of this kind coming to us in future; and they may come to us if we do not take a stand as members of the House of Commons and make sure that Canadian railroads are as safe as it is possible to make them.

The idea advanced by the hon. member who proposed the bill and who has had considerable experience as a

railroadman should certainly be given consideration. The idea he advances should not be ruled out merely because the idea emanates from the other side of the House. If it is a good idea, it ought to be considered by the government.

No occupation is immune from danger, and we shall never achieve a situation in which accidents can be eliminated totally. However, we can work in all areas in order to minimize accidents. Certainly, safety for the work force is a concern of the Minister of Labour (Mr. Mackasey) and all those associated with him in the Department of Labour. Although this matter under debate, as the hon. member knows, is not the immediate responsibility of the Minister of Labour, the minister certainly is concerned about safety, as is everyone working in the Department of Labour.

• (4:30 p.m.)

A few weeks ago I became involved in some of the negotiations involving members of the Brotherhood of Locomotive Engineers. It was apparent from the very outset of discussions that the issues were far from being purely economic in nature. Other issues emerged, not the least of which was the matter of safety and working conditions. I tell you, Mr. Speaker, no one could have been unimpressed with the weight of the arguments advanced by some of the men who have to bring trains with as many as 150 cars through the Canadian Rockies and down the dangerous Fraser canyon. Those who maintain that the dispute was all a matter of economics, of how much of an increase per hour the engineers would receive, simply do not know the facts.

Those who have travelled across the country aboard Canada's two railways—and despite some of the problems they have had, I think we have been well served by our railroads and the people working on them—know the terrain which has to be traversed. Even the unpractised eye can detect some of the slide conditions that exist along the Fraser canyon. A few years ago when they had steam engines, the maximum number of cars the railroads could haul with an engine was 59. But year after year Detroit has been creating evermore powerful diesel units. The technologists have produced these "wonder" diesels, and now they have developed diesel locomotives which haul as many as 150 cars. However, the question is whether the technology of safety has advanced at the same rate as the genius of Detroit has advanced in designing these new and powerful engine units.

Mr. Speaker, I submit that safety has not made the same improvement, and I think the hon. member would agree with that. When you talk to some of the men who are faced with the problem of bringing these massive trains out to the Pacific coast, they tell you it is a dreadful feeling to know that it is almost impossible to stop such a unit in time, to know that you are going to hit a rock obstruction on the tracks and in a few minutes will have 150 cars "crawling up your back," which is the expression they use.

The hon. member for Moose Jaw (Mr. Skoberg) has pointed out that the Canadian Transport Commission has a study under way of general safety conditions on the railroads, and I agree with him that the activities of the commission are to be commended. Next week, because of the efforts of the chairman of the Canadian Transport Commission and of the Minister of Transport (Mr. Jamieson), a special study is going to be made of safety conditions in the Fraser canyon. The study is the result as well of various representations made by hon. members of this House. I repeat that on the eighteenth and nineteenth—that is next week—a study is going to be made of conditions along the Fraser canyon, and as a member from a British Columbia constituency I commend the CTC and the Minister of Transport for acting so quickly in response to recent requests for an investigation. I hope that from this survey we will find some of the reasons for the number of deaths which have been occurring in the canyon.

In my view we need improved slide detector devices. In the case of the recent canyon crash, which resulted in the dealth of Mrs. Penner's husband and of the other two men, it is alleged that the slide detection devices had been out of operation for a full month prior to the crash. We have to get answers to that; we must improve detection devices. Perhaps it was impossible to keep them in operation because of snow conditions. To me it seems incredible that we have not apparently achieved any basic improvement in slide detector devices throughout the past 25 years while all diesel technology has been putting heavier units on the tracks. Surely if we can provide a magnificent system of radar at international airports and can equip ships with sonar devices, we can put something in the cabs of locomotives which will be able to provide a more adequate warning of track conditions ahead—perhaps an in-cab television device, an adaptation of radar, or some kind of sophisticated way to determine whether or not there is a slide on the tracks. We are still living in the nineteenth century with respect to some of these safety devices and I repeat that we have to develop more advanced slide detector devices. The improvement of safety conditions is one of the first things we must undertake to assist those who must earn their living with the railroads of Canada.

In conclusion, I wish to make a few remarks about the general safety of railway employees. As you know, Mr. Speaker, the majority of railway employees are employed in the non-operating sector of the railway industry which is subject to the provisions of the Canada Labour (Safety) Code. Employment, safety and health regulations covering such diverse subjects as machine guarding, hazardous substances, materials handling, noise, lighting, sanitation, electrical safety, and soon, have been developed to the final draft stage and are currently under legal review by the Department of Justice.

The regular safety inspection of federal work places, including maintenance shops and other railway facilities, has been under way for more than a year. In the past year—this is an indication of the minister's and his department's concern with respect to safety for railway employees—some 19,000 such inspections were made of enterprises subject to the safety code. In addition, approximately 500 special surveys and 17 comprehensive

assessments of company accident prevention programs were completed.

These comprehensive assessments of safety audits include, in addition to an assessment of working conditions and work practices, a critical review of a company's safety policy, its education and training program, the attitude of management and employees to safety, the in-plant safety inspection system, accident investigation and reporting procedures, etc., wherein lie the root causes of most safety problems.

Development of a national system of accident statistics is now well under way and is expected to produce valuable information for the prevention of accidents in the near future. The National Film Board is presently producing a film which will be used in training accident investigators in the proper investigation of accidents. A second film on the conduct of safety inspections is now in the planning stage. In so far as it lies within the area of responsibility of the Minister of Labour and his department, every effort will be made to improve the conditions under which workers on Canadian railroads must earn their living. I thank the hon. member for bringing a bill of undoubted merit to the attention of the House.

Mr. Len Marchand (Kamloops-Cariboo): Mr. Speaker, I wish to congratulate the hon. member for Moose Jaw (Mr. Skoberg) for bringing the attention of the House to the subject of railway accidents through the introduction of Bill C-47. I know that other hon. members want to participate in this debate, so I will not speak at length. However, I want to express my general support for the principles contained in the bill.

I was not in the House when the hon. member began his remarks, but I understand he mentioned the accident which took place on February 15 and caused the death of three outstanding people who happened to come from the city of Kamloops. The loss of the lives of these men caused a great deal of anguish and concern throughout Kamloops and the surrounding communities. Indeed, this particular accident caused a great deal of concern across the country. I met with officials of the Brotherhood of Locomotive Engineers and the United Transport Union on this important subject. One of the big complaints that all these gentlemen had was the lack of information available to families, workers and the community as a whole.

I commend the hon. member for bringing in this bill. I do not know what its fate will be, but the general principles involved are sound and I hope that something along the lines suggested by the hon. member can be done by the government in the near future.

• (4:40 p.m.)

My good friend from Burnaby-Seymour (Mr. Perrault) spoke of railway safety and his remarks are very pertinent. In this age of technology, with men going to the moon, literally anything can be achieved. We know that 90 per cent to 95 per cent of the scientists who ever lived, live now—so we are in the greatest age of technology that man has ever known. Certainly these kinds of accidents do not need to happen. Surely we can find some means of detecting them well in advance: they do not need to happen.

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): I am pleased to stand in the House today, Mr. Speaker, and say a few words on Bill C-47, because I feel that I can support some of the proposals contained in this most reasonable of bills.

[*Translation*]

This bill, entitled: "An Act to amend the Railway Act (Notice of Accidents)", is sponsored by the hon. member for Moose Jaw (Mr. Skoberg). During the first two sessions of this Parliament, I have had the opportunity to sit, with this hon. member, on the Standing Committee on Transport and Communications and I know that his intentions are good and that he is guilty of no partisanship in submitting this legislative proposal. I am therefore happy to support him objectively and in a spirit of co-operation, for the essential purpose of serving the interests of the Canadian people.

The last time I spoke in this House on the subject of railways, the provincial press, and to a certain extent the national one, got somewhat excited and concluded that some of my statements constituted an attack against the government. If somebody is to be blamed, it is, indeed, the railways authorities which do not care at all, occasionally, for public opinion and the criticism expressed strongly enough in this House by the people's representatives. But I will forget that for the moment, and I will speak about the bill.

As regards its provisions about notices of accidents, I am not against them. I commend the intent of the sponsor of this bill and I leave it to more knowledgeable members to discuss its legal aspects or its practical consequences.

I think that this is a solid, well-thought out bill which should have been introduced long ago. Why do I take a special interest in this bill? Simply because I am permanently interested in the activity of the railway company which serves my province, and more particularly, my region.

I have the interests of railway employees at heart. An hon. member just told me that there is no railway service in my riding. In fact there was one and although there is not much left of it, I want to discuss it just the same. I have at heart the interests, the security at work of railway employees, and even though we do not have many opportunities for direct intervention in their favour in the House, I would be reluctant to miss this one.

My father who was a railway employee, worked as a roadman—as we say here—with pick and shovel, in fair weather or foul for 42 years. I also wielded pick and shovel at his side on the railroad, in summer under a blinding sun and in the intense cold of winter. I know the occupational hazards, I know what I am talking about. It amuses me to hear Canadians, some of them my constituents, tell me sometimes: "You are a member of Parliament, you have a job in Ottawa, you have no problem. How can you understand our needs?"

Mr. Speaker, if I spring from some kind of establishment, let it be from a class of people who have always lived by the sweat of their brows, and I am not forgetting it. That is the reason why I am interested in Bill C-47.

At different times during previous sessions, I have put on the order paper a certain number of questions on CN train derailments. Each and everytime I have been provided with incomplete and absolutely unsatisfactory answers. Therefore, it is with pleasure that I welcome the suggestion contained in this bill to the effect that all accidents involving damages amounting to $1,500 or more to equipment and tracks be made the subject of compulsory reports to the Canadian Transport Commission.

With the implementation of new railroad technology in Canada especially during the fifties, the railway companies have done away with some of the supervisory and checking practices which were considered elementary during the steam-engine era. I do not mean by that there were fewer derailments in the past, I just say that they had apparently better means of control and more adequate and more human methods to prevent accidents.

The machines have replaced men in many ways, but they are not perfect. I especially recall some Christmas holidays in the early fifties when my father had hired me to shovel snow and check tracks which I did walking alongside of a full-time employee. For a week the thermometer must have registered some 20 or 30 degrees below zero and we had to cover a distance of three miles in order to survey each track, each joint, to ascertain that the cold had not caused any damage which could impede traffic.

• (4:50 p.m.)

To my knowledge, this is not done anymore, although it might be better otherwise.

Some railway employees in my riding were telling me that every winter they fear to go on board when it is cold. They feel the rolling stock and the roadbeds are not under adequate inspection, therefore, derailments often occur.

Excessive heat obviously can also twist the tracks. There is among railway employees a feeling that a larger staff should be detailed for the inspection of the rolling stock and the roadbeds. Surely, Mr. Speaker, considering the high unemployment we are experiencing at the present time, the railway companies of this country should be hiring more staff in order to satisfy the security requirements.

My colleague, the hon. member for Portneuf (Mr. Godin), who also agrees with us on this matter, had asked a series of questions and he received answers which show that closer inspection by an additional number of employees would help reduce derailments and other accidents.

I will quote a few figures regarding the Chaleur area of CN on derailments. In 1967, derailments caused considerable losses: $25,000 at Saint-Quentin on January 2, $14,000 at Monk on February 19; a smaller incident at Caraquet nevertheless cost $2,000. A much more serious derailment at Monk on March 4 resulted in damages to the extent of $150,000. On March 18 of the same year a derailment at Napadogan cost $319,000.

And I think those figures cover only losses in rolling stock or in railway tracks. They do not include losses of goods or working days.

A mere look at the situation shows that it is serious and I hope that in the near future the necessary steps will be taken to improve our protection system for railway men and also for the equipment which they must handle.

The principle of the bill is most acceptable. There always seems to be a difficulty for members when it comes to referring a bill to a committee. In this case, I would certainly be willing to refer the matter to the committee so that it may be discussed more openly.

The Acting Speaker (Mr. Richard): Order. The hour set aside for consideration of private members' business has now expired. As it is five o'clock, this House stands adjourned until Monday at 2 p.m.

[*English*]

This beautiful week we have had of sunny weather, buds, greenery and beautiful tulips leaves me in only one position. I must recall at least a few lines of one of the greatest and earliest poets. Possibly a few members remember John Milton of the seventeenth century, who wrote:

Hail, bounteous May, that dost inspire
Mirth and youth and warm desire!
Woods and groves are of thy dressing
Hill and dale doth boast thy blessing,
Thus—we salute thee with our early song,
And welcome thee, and wish thee long.

I wish all members a very happy weekend. I hope they will enjoy the tulip festival by walking through our parks and along our riversides. I hope they will not only enjoy health but the satisfaction of a good time.

* * *

BUSINESS OF THE HOUSE

Mr. MacLean: Mr. Speaker, may I ask the government House leader to confirm that the business for the beginning of next week will be the same as announced yesterday. In other words, will the first order of business on Monday be Bill C-238, an act to amend the Canadian Wheat Board Act.

Mr. Francis: Yes, Mr. Speaker; I think the hon. member has correctly described it. The business will be as stated at page 5777 of *Hansard*.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 17, 1971

The House met at 2 p.m.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CNR—DERAILMENT OF TRAINS SINCE JANUARY, 1965

Question No. 851—**Mr. Peddle:**

How many derailments of CN trains were there in Newfoundland since January 1, 1965 (a) on what dates (b) at what locations in each case (c) were there personal injuries sustained in each case (d) what is the estimate of total property damage in each case?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Management of Canadian National Railways advises as follows:

During the period January 1965 to December 1970 there were 24 derailments as follows:

(a) Date		(b) Location		(c) Personal Injuries	(d) Estimated damage to Property
March	27/65	M.528.0	Port aux Basques	Nil	$ 12,150
February	26/66	M.473.1	Port aux Basques	Nil	3,708
March	15/66	M.397.0	Bishop's Falls	Nil	8,271
April	29/66	M.410.0	Port aux Basques	Nil	64,093
February	27/67	M.368.5	Bishop's Falls	Nil	1,402
July	20/67	M.133.	Clarenville	Nil	12,765
May	25/68	M.335.7	Bishop's Falls	Nil	61,830
June	13/68	M.299.3	Bishop's Falls	Nil	20,883
September	14/68	M.132.0	Clarenville	Nil	1,456
October	17/68	M.282.5	Bishop's Falls	Nil	2,402
December	7/68	M. 15.8	Bonavista	Nil	27,791
December	10/68	M.281.0	Bishop's Falls	Nil	1,798
December	23/68	M.415.0	Port aux Basques	Nil	5,596
February	22/69	M.432.8	Port aux Basques	Nil	29,902
March	15/69	M.284.34	Bishop's Falls	Nil	64,653
May	1/69	M.413.0	Port aux Basques	Nil	3,047
July	12/69	M.338.7	Bishop's Falls	Nil	43,634
July	27/69	M. 86.5	St. John's	Nil	16,082
July	30/69	M.494.0	Port aux Basques	Nil	134,724
January	26/70	M.539.0	Post aux Basques	Nil	2,657
February	12/70	M.371.8	Bishop's Falls	Nil	73,385
April	19/70	M.334.81	Bishop's Falls	Nil	6,816
May	28/70	M.389.8	Bishop's Falls	1	67,101
July	17/70	M.310.0	Bishop's Falls	Nil	1,509
September	26/70	M.408.0	Port aux Basques	Nil	23,346
October	13/70	M.195.0	Clarenville	Nil	12,794
December	9/70	M.194.0	Clarenville	Nil	32,743

PROVINCIAL BORROWINGS FROM $160 MILLION LOAN FUND

Question No. 877—**Mr. Comeau:**

1. How much money has been borrowed by each province out of the $160 million loan fund provided to finance job-creating public works?

2. How many jobs are being created in each case?

3. How many of these loans have been refused on the basis that the province involved has not submitted a proposal which is sufficiently job-creative?

Hon. E. J. Benson (Minister of Finance): 1. As of May 3, 1971 all provinces except Ontario and Saskatchewan have applied and received approvals for loans to the full amount of their allocations from the Special Loans Program in the following amounts:

Newfoundland	$ 6,300,000
Prince Edward Island	1,000,000
Nova Scotia	4,000,000
New Brunswick	5,000,000
Quebec	70,300,000
Manitoba	8,000,000
Alberta	6,400,000
British Columbia	37,000,000
Total	$138,000,000

Questions

Saskatchewan has advised it does not intend to use its allocation of $5,000,000. Ontario has announced its intention to borrow its allocation of $17,000,000 for distribution on a loan basis to its municipalities, but no application has yet been received. Actual loan disbursements to date total $21,800,000, all to the Province of Quebec.

2. The additional direct employment being created has been estimated on the basis of information received from the provinces as follows:

	Man-Years
Newfoundland	774
Prince Edward Island	98
Nova Scotia	477
New Brunswick	286
Quebec	6,515
Manitoba	575
Alberta	864
British Columbia	2,661
Total	12,250

It is also estimated that the indirect employment being created nationally from the purchase of materials, equipment, supplies and engineering services will total about 16,900 for a direct and indirect employment effect of 29,150 man-years. No estimates are available as to subsequent employment multiplier effects.

3. None.

FORMER EMPLOYEES OF G. LAPALME LTD.

Question No. 936—**Mr. McBride:**

1. Is the privilege of parking on Parliament Hill extended to every citizen or group of citizens and, if not, for what reason has such privilege been extended to former Lapalme employees?

2. Has the Government of Canada at any time offered employment to those former employees of G. Lapalme Limited and, if so, on how many occasions?

3. Has the government or any officer of the government met with those employees in order to make a fair presentation of the government position with respect to their grievance in relation to direction given them by their union officials?

4. Is it the government's intention to assign a specialist in communications to assure that these men understand what action the Government of Canada has taken to secure their employment?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1. This matter is the responsibility of the Speaker of the House of Commons and inquiries should be directed to him privately.

2. Yes, twice.

3. Yes, the Hon. Charles Mills Drury on April 14, 1970.

4. No.

WYNYARD, SASK.—PUBLIC HOUSING PROJECT

Question No. 997—**Mr. Burton:**

1. Did the Town of Wynyard submit an application for a public housing project under Section 35(a) of the National Housing Act and, if so (a) on what date (b) how many housing units were requested in the application (c) what was the estimated cost of the project?

2. Was the project approved by Central Mortgage and Housing Corporation and, if so, on what date?

3 On what date was participation in the project approved by the Government of Saskatchewan and on what date was this approval communicated to Central Mortgage and Housing Corporation?

4. On what date was the Town of Wynyard informed of the approval for the project and who communicated this information?

5. What is the estimated cost to each governmental authority involved?

Hon. Robert K. Andras (Minister without Portfolio): 1(a)(b). The Town of Wynyard made application to the Province of Saskatchewan in 1969 for the investigation of a 38-unit public housing project under Section 35A of the National Housing Act. The Province requested approval from Central Mortgage and Housing Corporation in September, 1969. A study was then undertaken by the Province to determine the relationship of the communities of the area. This study was completed and on October 20, 1970, the Committee of the Partnership agreed to a recommendation for the construction of 10 units, subject to the concurrence of the Provincial Minister. (c) Cost did not form a part of the application at this stage.

2. On September 16, 1969, Central Mortgage and Housing Corporation approved an investigation to determine the need for a housing project.

3. The Minister of Municipal Affairs, on behalf of the Province of Saskatchewan, approved construction of 10 housing units, and this approval was received by Central Mortgage and Housing Corporation on February 12, 1971.

4. The Minister of Municipal Affairs, on behalf of the Province of Saskatchewan, advised the Town of Wynyard on February 10, 1971, of the approval of a 10-unit project.

5. The estimated costs are not yet known. A technical committee made up of representatives of the three levels of government are selecting serviced lots for the project and, when negotiations are completed and the sites determined, an estimate of costs will be prepared.

PUBLIC SERVICE—INTRODUCTION OF FOUR-DAY WEEK

Question No. 1,088—**Mr. Yewchuk:**

1. Prior to the expenditure guidelines which reduced or froze positions in the Public Service, did the government consider, as an alternative policy, the introduction of the four-day workweek?

2. Has the government calculated the possible cost to the country if a four-day work-week were introduced in the Public Service and, if so, how many employees in the Public Service would not have been dismissed or positions frozen?

Hon. C. M. Drury (President of the Treasury Board): 1. No. Collective agreements with employees provide

for a five day week. The employer did not consider such a course of action.

2. No.

ESTABLISHMENT OF A VOLUNTARY FINGERPRINT BANK

Question No. 1,187—**Mr. Coates:**

Has the government given consideration to the establishment of a voluntary fingerprint bank that would be available to those people who desire to have their fingerprints filed in case of the need of possible identification at some future date?

Mr. J. A. Jerome (Parliamentary Secretary to President of The Privy Council): No.

DOUGLAS POINT NUCLEAR POWER PROJECT

Question No. 1,220—**Mr. Coates:**

1. Has AECL or the government amortized the construction cost of the Douglas Point Nuclear Power Project and, if so (a) on what basis (b) over what number of years (c) at what interest rate?

2. How much of the $89,637,000 that the power project cost has been repaid?

3. What was the total operating cost for the Douglas Point Nuclear Power Project in the years 1967, 1968, 1969 and 1970?

4. (a) How much power was generated in each of the years 1967, 1968, 1969 and 1970 (b) of that amount in each year, how much was sold to the Hydro Electric Power Commission of Ontario and at what return in dollars?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): 1. Douglas Point Reactor is a prototype station and no amortization of construction cost has been recorded by AECL or the Government.

2. The agreement with the Hydro-Electric Power Commission of Ontario provides for purchase of the station after it has been established to be a safe and dependable source of power.

3. Operating costs, including commissioning and training of staff for committed stations, are recorded on a fiscal year basis as follows:

(Millions)

1967-68	1968-69	1969-70	1970-71*
$3.6	$6.4	$6.0	$7.8

*Eleven months actual plus one month estimated.

4. Net power generated is sold to the Hydro-Electric Power Commission of Ontario.

(a) Net Power generated (millions of kilowatt hours)

1967-68	1968-69	1969-70	1970-71
270	689	393	933

(b) Revenues on a fiscal year basis are as follows:

(Millions)

1967-68	1968-69	1969-70	1970-71*
$1.6	$3.9	$2.4	$5.3

*Eleven months actual plus one month estimated.

Questions

STUDIES RELATING TO CORRELATION BETWEEN JOB OPPORTUNITIES AND EDUCATIONAL QUALIFICATIONS

Question No. 1,232—**Mr. Southam:**

1. Has the government established a study to decide on the actual correlation between job opportunities and educational qualifications e.g., the value of a B.A. in business?

2. Is it the intention of the government to establish such a study?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): 1. The Department of Manpower and Immigration carries out a number of studies related to this correlation between job opportunities and educational qualifications. Regular publications entitled "Supply and Demand of New University Graduates" and "Requirements and Average Starting Salaries" contain sample results on the labour market status of new university graduates. Projections of requirements for Managerial, Professional and Technical classes are contained in the publication "A Projection of Manpower Requirements by Occupation in 1975". Another publication "Canada's Highly Qualified Manpower Resources" indicates the education and employment patterns of scientists and engineers.

2. No.

PAYMENTS TO PROVINCES UNDER FEDERAL MEDICARE PLAN, 1971-72

Question No. 1,237—**Mr. Harding:**

1. What is the estimated total cost to the government of payments to the provinces under the federal Medicare plan for the 1971-72 fiscal year?

2. What provinces, to date, have come under the federal Medicare plan, and what is the estimated payment to each for the 1971-72 fiscal year?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The total estimated cost of federal payments to the provinces, under the Medical Care program, in the fiscal year 1971-72 amounts to $576,480,-800.

2. All provinces and the Northwest Territories are now participating under the federal Medical Care program, and it is estimated that federal payments in the fiscal year 1971-72 will be as follows:

Province	Payments
Newfoundland	$ 14,342,500
Prince Edward Island	2,888,100
Nova Scotia	20,646,000
New Brunswick	16,158,600
Quebec	159,782,700
Ontario	204,450,200
Manitoba	26,766,300
Saskatchewan	25,510,200
Alberta	44,994,700
British Columbia	60,027,100
Northwest Territories	914,400

Questions

*CBC—USE OF SATELLITE TO PROVIDE TELEVISION SERVICE TO NORTH

Question No. 1,266—**Mr. Fairweather:**

1. Does the CBC plan to use a satellite to provide television service to the people of the North and, if so, in what manner?

2. Will the programs be the same as those now broadcast or will programs be especially prepared to meet the tastes and needs of the people of the North particularly the Indians, Eskimos and Metis?

3. Will such programs be made in the North by the people living there including the native peoples?

4. Have the people of the North, particularly the native peoples, been consulted about the kind of television programs they would like to receive by satellite?

5. Are there any plans for a television production centre in the Northern Region similar to the centres existing in all the other regions of CBC, which would produce programs for satellite transmission?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): I am informed by the Canadian Broadcasting Corporation as follows: 1. Yes. The Corporation plans to use the Telesat satellite to transmit CBC English and French network services for ground reception and broadcasting by existing and planned stations in the north.

2. The full live network service will be transmitted, instead of the four-hour program package now available on a delayed basis. There are no present plans for programs especially prepared for northerners, but it is possible that such a regional service could be developed in the future for scheduling in time periods when national network service is not scheduled. Work is being done with this objective in mind.

3. Not initially.

4. Yes. The views of people who live in the North were expressed at a Conference on Northern Communications held at Yellowknife in September 1970.

5. At present there are no plans for such a TV production centre in the north.

*AGREEMENT BETWEEN FEDERAL GOVERNMENT AND QUEBEC RELATING TO TRANS-CANADA HIGHWAY

Question No. 1,282—**Mr. Lambert (Bellechasse):**

1. When was the first agreement between the Government of Canada and the Province of Quebec entered into in relation to the construction of the Trans-Canada Highway (a) what were the nature and terms of the agreement (b) has it been renewed and, if so, in what year and when does it end?

2. What was the federal contribution to the Province of Quebec during 1970?

3. Has the Government of Canada received a request from the Government of the Province of Quebec to extend the Trans-Canada Highway agreement and, if so, what was the reply?

4. What amount does the government intend to grant for this purpose?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, I have the reply to this question and it is rather lengthy. I wonder whether there might be unanimous consent that it be tabled and that it be printed in *Hansard* as though it had been read?

[Mr. Munro.]

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

[*Editor's Note: The abovementioned answer reads as follows:*]

1. October 27, 1960. (a) The Trans-Canada Highway Agreement provided that Canada would contribute to the cost of construction of an equivalent two-lane highway on the basis of 50 p. cent of the costs on 90 p. cent of the mileage within the province and 90 p. cent of the costs on the remaining 10 p. cent of the mileage. It also specified the termination date of construction as December 31, 1963, that is, work done to and including this date would be eligible for federal contributions. (b) The second Agreement was executed on March 31, 1965, which extended the termination date of construction to December 31, 1967. The third Agreement was executed on September 18, 1967, which extended the termination date of construction to December 31, 1970.

2. The estimated federal contribution for the fiscal year 1970-71 is $13.6 million.

3. Yes. The reply stated that the federal government's decision to terminate the Trans-Canada Highway program was based on a number of factors, one being the extended length of time the program has been in force. The original legislation was enacted in 1949 and participation under it was available to all provinces since the first Agreement was offered to the provinces in 1950, with termination at that time being 1956. A number of extensions were granted by subsequent legislation to the December, 1970 date, thus providing a 21 year construction period. Other factors were the rapidly rising costs to the federal government, particularly by assistance to the provinces in the fields of health, education and regional expansion.

4. There will be no federal contributions under the Trans-Canada Highway program for any work carried out after December 31, 1970.

INFORMATION BY REGION ON OUTSTANDING BANK LOANS AND MONEY SUPPLY

Question No. 1,286—**Mr. Fairweather:**

Is it the intention of the Bank of Canada to publish, on a regular basis, information on the volume of bank loans outstanding in the various regions of Canada including the Atlantic Provinces and estimates of the total money supply in each region as recommended by the report of the Atlantic Development Council on a strategy for the economic development of the Atlantic Region, 1971-1981?

Hon. E. J. Benson (Minister of Finance): In so far as the Bank of Canada is concerned: The regional domicile of the bank loans and bank deposits of nationwide enterprises which deal with nationwide banks is not meaningful; loans arranged in one region are frequently drawn on for us in other regions, and similarly deposit balances carried in one region may arise from operations in, or be destined for disbursement in, other regions. Consequently, collecting or estimating figures for total money supply and bank loans on a regional basis would not provide information useful for the analysis of regional economic problems.

LICENSED ELEVATORS—PRAIRIE PROVINCES

Question No. 1,292—**Mr. Mazankowski:**

1. How many elevators have been licensed this year that do not have a full-time agent in each of the Prairie provinces?

2. What companies own such elevators in each province?

3. What is the location and number of elevators, owned by each company, in each province?

Hon. H. A. Olson (Minister of Agriculture): 1. Manitoba, 133; Saskatchewan, 782; Alberta, 463.

2. Manitoba: Federal Grain Limited, Inter-Ocean Grain Co. Ltd., Manitoba Pool Elevators, National Grain (1968) Ltd., N. M. Paterson & Sons Ltd., United Grain Growers Ltd.

Saskatchewan: Federal Grain Limited, Inter-Ocean Grain Co. Ltd., National Grain (1968) Ltd., Parrish & Heimbecker Ltd., N. M. Paterson & Son Ltd., Pioneer Grain Co. Ltd., Saskatchewan Wheat Pool, United Grain Growers Ltd.

Alberta: Alberta Wheat Pool, Ellison Milling and Elevator Co. Ltd., Federal Grain Ltd., National Grain (1968) Ltd., Parrish & Heimbecker Ltd., Pioneer Grain Co. Ltd., United Grain Growers Ltd.

3.

Grain Company	Manitoba		Saskatchewan		Alberta	
	Total	With Agent	Total	With Agent	Total	With Agent
Alberta Wheat Pool	—	—	—	—	510	418
Ellison Mil. and Elv. Co.	—	—	—	—	18	16
Federal Grain Ltd.	69	58	564	374	465	276
Inter-Ocean Grain Co.	5	4	20	18	—	—
Man. Pool Elevators	325	246	—	—	—	—
Nat. Grain (1968) Ltd.	31	27	183	132	89	62
Parrish & Heimbecker Ltd.	4	4	30	25	27	23
N. M. Paterson & Sons Ltd.	42	35	53	44	2	1
Pioneer Grain Co. Ltd.	4	4	329	246	102	80
Saskatchewan Wheat Pool	—	—	1,222	880	—	—
United Grain Growers	142	114	315	216	348	223

Location information is not available.

QUEBEC—OLD AGE SECURITY PENSION AND FAMILY ALLOWANCES

Question No. 1,306—**Mr. Mather:**

What was the amount of money paid as (a) Old Age Security Pensions (b) Family Allowances to residents of the Province of Quebec in 1970?

Hon. John C. Munro (Minister of National Health and Welfare): (a) $458,573,498 (This figure includes Guaranteed Income Supplement payments). (b) $240,-029,289.

PIPELINE RESEARCH

Question No. 1,319—**Mr. Harding:**

1. Is the government involved in any aspect of pipeline research being conducted in the study at Inuvik by Mackenzie Valley Pipeline Research Limited and, if so, to what extent?

2. Is an ecologist taking part in this study?

3. On what date can the results of such study be expected?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Indian Affairs and Northern Development as follows: 1. No.

2. There are several ecologists involved in the study.

3. The results of the study are scheduled for completion by the year end.

LOANS MADE BY FARM CREDIT CORPORATION TO ASSIST INDIAN GROUPS

Question No. 1,398—**Mr. Yewchuk:**

For the years 1969 and 1970, how many loans were made by the Farm Credit Corporation to assist Indian groups or individuals in the Provinces of (a) British Columbia (b) Alberta (c) Saskatchewan (d) Manitoba (e) Ontario and (f) Quebec?

Hon. H. A. Olson (Minister of Agriculture): The Farm Credit Corporation advises that the following loans were approved:

	Fiscal Year 1969-70	Fiscal Year 1970-71
(a) British Columbia	8	4
(b) Alberta	12	5
(c) Saskatchewan	16	10
(d) Manitoba	10	2
(e) Ontario	6	1
(f) Quebec	1	1

• (2:10 p.m.)

Mr. Marshall: Mr. Speaker, I rise on a point of order. Question No. 540 has been on the order paper in my name since November 26. It was also on for several months during the last session. It is a very simple question and in my opinion should only take about five minutes to provide an answer. I am wondering if and when I will get an answer, whether I should remove it from the order paper, or what I should do.

An hon. Member: Give up.

Mr. Jerome: Mr. Speaker, questions are always simple but it turns out sometimes that replies can be unduly complex. We are trying to keep the average above 80 per cent, which we have been able to achieve to the present moment. I will look into this question to see whether we cannot answer it as soon as possible.

Inquiries of the Ministry

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

UNEMPLOYMENT—EFFECT OF APRIL FIGURE ON 1971 FORECAST BY MINISTER OF FINANCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, as the Minister of Finance has now had an opportunity to reflect upon the unemployment figures issued last week and no doubt has had consultation about them, I should like to ask whether these figures have changed in any way his forecast of a steadily diminishing rate of unemployment throughout the year?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker, I think this will happen over the whole year. The seasonally adjusted rate will show a decline on the basis of the whole year from the fourth quarter of 1970.

Mr. Stanfield: Mr. Speaker, may we assume from what the minister has just said that his estimate in the budget he will present in June as to the appropriate fiscal stance of the government for the balance of the fiscal year will be based upon his previous forecast and will not make any allowance for the possible significance of the figures released last week?

Mr. Benson: Mr. Speaker, of course the budget will depend upon all the figures we have seen, including this figure, up to the time the budget is produced.

PROVISION OF SHORT-RANGE ECONOMIC FORECASTING ORGANIZATION

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Finance whether he is now prepared to act upon the recommendation made many times by the Economic Council that a short-term economic forecasting unit be established with the assistance of the government in order that the minister can be prevented from acting on wrong forecasts which could have serious effects for the country with respect to the budget? In addition, such an economic forecasting unit might prevent the minister from making a fool of himself.

An hon. Member: It would take more than that.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the latter might be difficult to do, as is the case with my hon. friend. However, I would say there are units in Canada doing economic forecasting. I am sure my hon. friend knows of the one at the University of Toronto where economic forecasts for the year are substantially the same as those of the government.

UNEMPLOYMENT—EXPLANATION FOR APRIL INCREASE

Mr. Max Saltsman (Waterloo): Mr. Speaker, when the figures were given the other day indicating an abnormally high increase in the unemployment rate the minister expressed his surprise and his ignorance as to the causes of that increase. Has he had a chance to consult with the people in his department and has he found an explanation for the extraordinary increase in the unemployment figures?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think the explanation can be found in the figures produced by the Dominion Bureau of Statistics.

Mr. Saltsman: Since there does not seem to be any explanation there at all, will the minister consider providing an explanation rather than making phony excuses to the House?

Mr. Speaker: Order, please.

* * *

FINANCE

INCOME TAX CHANGES—REQUEST FOR EARLY INTRODUCTION OF BILL

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the Minister of Finance whether, when he introduces his budget in June, he will introduce a full-fledged tax reform bill rather than a collection of intentions as to tax reform in the form of another white paper?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as I have indicated, the tax reform to be introduced in June will be in the form of legislation.

Mr. Lundrigan: In order to try to reduce the uncertainty in the economy at the present time, will the minister consider introducing at the earliest possible date, hopefully in the next few days, a tax reform bill in lieu of the budgetary statement in the middle of June?

Mr. Benson: No, Mr. Speaker.

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THE CANADIAN ECONOMY

REGIONAL UNEMPLOYMENT—CONSULTATION IN LIGHT OF FORECAST DECLINE IN BUILDING PROJECTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I ask the Minister of Finance whether officials of his department or of the Department of Manpower have been in consultation with the various regions in which there is particularly high employment, such as the Maritimes, concerning the prospects for the coming months because, according to reports, less building is projected there for the coming months than in recent years and therefore—

Mr. Speaker: Order, please. Perhaps the minister might be allowed to reply briefly, but when the hon. member asks a general question in which he invites the minister to make a forecast about the situation in a particular part of the country I doubt whether he should be allowed

to do so at this time. However, the minister might be allowed to reply briefly and then the Chair will recognize the hon. member for York South.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I think the question might have been more properly addressed to the Minister of Manpower and Immigration who has offices all over the country. I would like to state that the April housing figures, if extended, show 250,000 housing starts which is the highest in Canada's history.

FOREIGN OWNERSHIP—COMPLETION OF CABINET STUDY—POLICY STATEMENT—PUBLICATION OF REPORT

Mr. David Lewis (York South): Mr. Speaker, I should like to ask a question of the Acting Prime Minister. I know that the question has been asked on previous occasions, but I should like to know whether the Acting Prime Minister can tell the House if the Cabinet has completed or almost completed the study of the report by the Minister of National Revenue on foreign ownership and whether the House may expect a statement of policy on that important question before the end of June?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. The Minister of National Revenue has not yet submitted a report to cabinet.

Mr. Lewis: May I ask the Acting Prime Minister whether he can give the House any idea as to the timetable in the government's mind with regard to the receipt of the report and the statement of policy to follow it?

Mr. Sharp: Mr. Speaker, my understanding is that the Minister of National Revenue has threatened to keep the cabinet busy all July discussing this question.

Mr. Baldwin: God help the country.

Mr. Lewis: Mr. Speaker, I appreciate that both the Minister of National Revenue and the Prime Minister have stated that this report of the Minister of National Revenue is a cabinet document and will not be made public. If my understanding is right, may I ask the Acting Prime Minister whether reconsideration of this decision is likely to be made by the cabinet and, if not, whether the cabinet will consider the question of publishing at least the information contained in the report of the Minister of National Revenue, if not the policy suggestions?

Mr. Sharp: Mr. Speaker, I think what the public has a right to expect, and it is our intention to supply it, is a statement of government policy in this area. I will take under consideration and refer to my colleagues the suggestion that some of the background information might, with profit, be published.

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[*Translation*]

REGIONAL ECONOMIC EXPANSION

QUEBEC—CONTINUATION OF AGREEMENTS RESPECTING AID TO INDUSTRIAL CENTRES

Mr. Henry Latulippe (Compton): Mr. Speaker, my question is for the Minister of Regional Economic Expansion.

Inquiries of the Ministry

Could the hon. minister tell the House whether aid for industrial economic expansion of major centres will be continued, extending the agreement due to expire within a few months?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I am not aware of which agreement the hon. member is referring to as there are several. Could he be a little more explicit?

Mr. Latulippe: Mr. Speaker, I understand there are agreements with major centres, such as the City of Montreal, for instance, expiring within a few months, covering aid for industrial economic development of such centres. That is what I am inquiring about.

Mr. Marchand (Langelier): Mr. Speaker, the decision was taken when it was announced in this House that the aid program would be for a two-year period only and that it would then be discontinued.

Mr. Latulippe: I should like to put a supplementary question, Mr. Speaker.

Could the minister tell the House whether he is considering the possibility of maintaining the aid granted to industries, through some conditions established under a decentralization program which could serve as incentive to designated regions outside metropolitan areas?

Mr. Marchand: I suppose so, Mr. Speaker.

* * *

[*English*]

THE CANADIAN ECONOMY

INFLATION—REINTRODUCTION OF VOLUNTARY GUIDELINES—OTHER MEASURES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Finance. As the cost of living has increased during the past three months at an annual rate of 7.2 per cent, showing that inflation has not been licked but is growing at a steadily increasing rate, is it the intention of the government to have the Prices and Incomes Commission reintroduce voluntary guidelines, as it did 18 months ago, or does the government have some other plan in mind for checking this rising inflation?

Hon. E. J. Benson (Minister of Finance): I think that if my hon. friend looks at his figures again he will find that the year to year increase up to the end of April was 1.9 per cent, not 7.2 per cent. What he is doing is making the obvious error he often makes of taking the three months figure, multiplying it by four and saying that this is the annual figure, which just does not happen.

Some hon. Members: Hear, hear!

Mr. Hees: Is the minister not aware that the cost of living has been rising at an annual rate of 7.2 per cent a

year during the three months period, a very important part of the year, and has been steadily increasing month by month for the past three months? What is he going to do about it? Is he going to continue doing nothing?

Mr. Benson: All I can do is to say that my hon. friend is wrong again.

Mr. Hees: Mr. Speaker, I have a final supplementary question.

Mr. Speaker: Order, please. It seems to me that this will be a supplementary question. The second question asked by the hon. gentleman was substantially the same as his first question. Certainly he has a right to ask a supplementary and will be recognized for that purpose.

Mr. Hees: My supplementary question is on behalf of the Canadian people. Are the minister and the government going to do something to try to check inflation, or does the minister, like the Prime Minister, consider that it has been licked.

Mr. Speaker: Order, please.

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Finance very seriously—

Some hon. Members: Oh, oh!

Mr. Stanfield: I think it is important that we know, Mr. Speaker. Is it the view of the Minister of Finance that inflation is licked?

Mr. Benson: It is nice to have a serious question from the opposite side. I do not think that inflation can ever be assumed to be licked.

Mr. Speaker: Order, please.

ALLEGED CONTINGENCY PLAN FOR PRICE AND WAGE CONTROLS—OPPORTUNITY FOR DISCUSSION

Mr. John Lundrigan (Gander-Twillingate): I have a question for the Acting Prime Minister. It has now become public knowledge that the government has a contingency plan for price and wage controls. Can the Acting Prime Minister indicate whether the nature of this plan will be made public and also if in fact it has been made known to the provinces so that proper discussion can take place at that level?

Hon. Mitchell Sharp (Acting Prime Minister): I do not know what the authority is for my hon. friend's preamble to the question. We have of course been studying the question of price and wage controls if those should become necessary. The implication of the question is that we have a cut and dried plan for this purpose. This is not so. There are various alternatives that could be employed if the circumstances arose.

Mr. Baldwin: A new government would help.

Mr. Lundrigan: Perhaps I might have prefaced my question by saying that the Prime Minister made this public last evening on the national television network. The Acting Prime Minister might be looking for a job when his boss returns from Moscow.

Mr. Speaker: Order, please. The hon. member should not make a statement before asking his supplementary; he should ask the supplementary question.

Mr. Lundrigan: Mr. Speaker, you have got to inform these ministers. May I ask if the contingency plan which was made public knowledge last evening by the Prime Minister will be sprung on the country like the War Measures Act, or will some means of consultation be brought about so we can talk about the plan?

Mr. Speaker: Order, please.

INFLATION—PRICES' FORECAST FOR 1971

Mr. David Lewis (York South): Mr. Speaker, I would like to ask the Minister of Finance perhaps an even more serious question. To follow the line that we have been following, I wish to ask him whether he or his advisers have made the kind of study that would give them a notion of the forecast of the likely curve of prices in Canada for the remainder of 1971? Can he inform the House what they anticipate happening, from all the evidence they have now, in the next six or seven months?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I will be doing exactly that in my budget.

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EXTERNAL AFFAIRS

ASSISTANCE TO EAST PAKISTAN REFUGEES NOW IN INDIA

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Acting Prime Minister. In light of reports that a million and a half refugees have crossed from East Pakistan into West Bengal and India, and that the number of such refugees is estimated as likely to rise to five million, and in view of the impossibility of the government of India coping with this influx, has the government of Canada communicated or, if not, will it communicate at once with the government of India and offer relief in the form of cash, relief materials and urgently needed transport facilities, to be administered by the Indian government or by such agencies as the International Red Cross or Oxfam of Canada so that this immense tragedy can be alleviated?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, we have been in touch with the Indian government. Indeed, this morning I received the High Commissioner of India, who once again brought to our attention the great tragedy that has taken place in that subcontinent. I indicated to him, as I have to the House, that the Canadian government is prepared to offer assistance in the care of these refugees.

However, it is my understanding that at the present time the Indian government is directing its requests for assistance primarily to multilateral agencies. The United Nations high commissioner for refugees is visiting India to assess the nature and extent of the refugee problem, and we are awaiting a report.

Mr. Brewin: Has the government communicated with the United Nations high commissioner in charge of refugees and intimated its willingness to make practical assistance avialable?

Mr. Sharp: Mr. Speaker, our general attitude is known to all of the international agencies. We have already offered token help through the Canadian Red Cross. We indicated to that organization that this was simply an indication that we are prepared to help as soon as we have requests indicating how we can best provide assistance. I want to assure the House, and I am sure that in this the government has the support of all hon. members, that we do stand ready to help substantially in this great tragedy.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I ask the Secretary of State for External Affairs a question regarding the offer of assistance through the International Red Cross. I believe the Canadian government offered some $50,000. I also understand that the International Red Cross has not been able to operate in Pakistan. I now want to ask the minister how that money is going to be used, and through what agencies?

Mr. Sharp: Mr. Speaker, I do not think I said, and if I did I would like to correct it, that we have made any assistance available through the International Red Cross. I understand that agency has not been operative in the area. We made our assistance available through the Canadian Red Cross. It is clear that the national Red Cross societies will be able to be effective, but not at the moment the International Red Cross.

Mr. Douglas: May I ask the minister if the Canadian Red Cross is operating in East Pakistan, or for that matter in West Pakistan, and whether or not the Canadian government intends to increase the amount of money which it is prepared to make available for refugee work in that area?

Mr. Sharp: Mr. Speaker, as I reported to the House the other day, and as those who have followed the exchange of correspondence between the Secretary General of the United Nations and the President of Pakistan will have noted, the government of Pakistan has not yet indicated the extent of the need in Pakistan itself but has indicated that if any relief is to be distributed it is to be distributed through the Pakistan government itself. The help we have offered so far, and which was referred to by the previous questioner, is in relation to the refugees situated in India. This is the kind of relief on which everyone is concentrating at the moment.

Inquiries of the Ministry

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—ONTARIO PROTEST CONCERNING INFRINGEMENT OF JURISDICTION BY LEGAL AID PROJECT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Minister of Justice if he has received a complaint from the Attorney General of the province of Ontario protesting that certain projects under the Opportunities for Youth program constitute an intervention into exclusively provincial matters and that there has been no prior consultation with the provincial government or its agencies?

Hon. John N. Turner (Minister of Justice): I have received a letter from the Attorney General of Ontario, Mr. Speaker. I am aware that some grants have been made by several federal departments and agencies to individual groups, involving legal aid. I recognize also that this involves the question of federal-provincial relations and the issue of the appropriate controls to be exercised over students participating in neighbourhood legal aid services. I am in the course of writing to all Attorneys General of all the provinces for the purpose of exploring what role the federal government should assume in the matter of legal aid. The letter received from the Attorney General of Ontario will be dealt with within that context.

OPPORTUNITY FOR YOUTH PROGRAM—APPROVAL OF PROJECTS BY QUEBEC

Mr. G. W. Baldwin (Peace River): I have a supplementary question for the Secretary of State. Can the minister advise if he has an arrangement with the province of Quebec whereby all such projects which involve exclusive provincial jurisdiction within the province must first be approved by that province and/or its agencies before they become effective?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am not sure that I have understood the question, Mr. Speaker. Is the hon. member referring to the Opportunities for Youth program?

[*English*]

Mr. Baldwin: Yes, Mr. Speaker.

[*Translation*]

Mr. Pelletier: In that case, Mr. Speaker, the answer is yes.

[*English*]

Mr. Baldwin: Are there such arrangements with provinces other than Quebec?

[*Translation*]

Mr. Pelletier: Yes, Mr. Speaker.

Inquiries of the Ministry

[*English*]

FINANCE

STEPS TO MAINTAIN EXEMPTION FROM INCOME TAX OF WAR VETERANS ALLOWANCE RECIPIENTS

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is directed to the Minister of Finance. In view of the fact that our war veterans who are entitled to receive war veterans allowance are exempt from income tax but effective April 1 this year they are expected to receive the major portion of their payments as old age security pension and guaranteed income supplement, both of which are taxable, what steps is the minister taking to ensure that our veterans will continue to enjoy the exemption they have so justly merited?

Hon. E. J. Benson (Minister of Finance): I am considering a recommendation made to me by the Minister of Veterans Affairs, Mr. Speaker.

SUGGESTED INCREASE IN INCOME TAX EXEMPTIONS FOR SINGLE AND MARRIED PEOPLE

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I also have a question for the Minister of Finance. In view of the concern of the average working person and the proposals put forward by many people, when bringing down his budget will the minister give consideration to increasing the exemptions from income tax for single and married people?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this was a proposal in the white paper we brought forward over a year ago.

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UNEMPLOYMENT INSURANCE COMMISSION

PROVISION OF NEW OFFICE IN CUMBERLAND COUNTY, NOVA SCOTIA

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I have a question for the Minister of Labour. Can the minister inform the House if the Unemployment Insurance Commission is giving consideration to establishing offices in addition to those now available in Nova Scotia, and will one of those new offices be located in Cumberland County?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, the re-organization of the Unemployment Insurance Commission will necessitate the opening of about 60 to 65 new offices across Canada, five of which I think, from memory, will be in the province of Nova Scotia. The instruction to the Unemployment Insurance Commission is to establish them in those centres where the maximum good can be done for the public and not to take into consideration political partisanship in the least.

Some hon. Members: Oh, oh!

[Mr. Pelletier.]

FINANCE

USE OF PORTION OF REVENUE FROM ALCOHOL TO COMBAT ALCOHOLISM

Mr. Barry Mather (Surrey-White Rock): I have a question for the Minister of Finance. Having in mind the action taken recently by two provincial governments, Prince Edward Island and British Columbia, is any consideration being given at the federal level to earmarking a specific portion of the tremendous revenue received from the sale of alcohol to be used to combat alcoholism and promote temperance in the country?

Mr. Speaker: Order, please. It seems to me that the hon. member's question is very general in scope and that it is the kind of question which normally ought to be placed on the order paper or it could be discussed at the time of adjournment or considered as a representation to the minister.

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EDUCATION

FEDERAL ASSISTANCE TO BUSINESS ADMINISTRATION COURSES

Mr. Mac T. McCutcheon (Lambton-Kent): I should like to direct a question to the Acting Prime Minister, Mr. Speaker. In light of the importance of business and managerial skill to the independent and technological development of the country, is the government, by way of the Gray report or otherwise, going to take a position on federal assistance and encouragement for business administration programs or courses in the universities and in industry?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker. As the hon. member knows, we now pay half the operating costs of all higher education in Canada.

Mr. McCutcheon: Accepting the fact that education is a provincial responsibility, will the government meet with the provinces and industry with a view to improving the number and quality of business administration courses?

Mr. Sharp: Mr. Speaker, it is the aim of the Canadian government, of course, to increase the efficiency of business enterprise. I am sure that my colleagues who are more concerned with these matters do try to support, in one way or another, the schools of business administration. I am sure my hon. friend would agree that one of the best ways we can do this is by continuing the policy we have now of paying half the cost of such schools.

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UNEMPLOYMENT INSURANCE COMMISSION

OPENING OF NEW OFFICES—STAFF REDUCTIONS—REQUEST FOR STATEMENT

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, my question has now changed to a supplemen-

tary to the Minister of Labour about the new Unemployment Insurance Commission offices. In view of the fact that some cities, such as Saint John, New Brunswick, will have a serious reduction of staff, when will the minister be making a formal announcement so that we may judge whether some of these reductions will bring about a very serious decrease in facilities for the public?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I do intend to make a full report in a few weeks time. Proof of the fact that re-organization will be done on a non-political basis is the fact that there will be an office in the riding of the hon. gentleman who raised the question earlier.

Mr. Bell: Will the minister give an assurance that there will not be any changes or transfers of staff until the announcement is made?

Mr. Mackasey: I cannot give the assurance that there will be no change in staff, Mr. Speaker, but I can give the hon. gentleman the assurance that the UIC staff is being kept informed through its representatives in the trade unions and every protection is being given to the present staff. There will be no diminution in the size of the staff but it would be naïve to assume that there will not be some disruption. We will expect some of the staff, in light of our desire to make our service more effective, to accept movement from one office to another.

Mr. Donald MacInnis (Cape Breton-East Richmond): I have a supplementary question for the Minister of Labour. In the absence of the Prime Minister, would he use all his influence on his cabinet colleagues to give the unemployment situation in this country top priority inasmuch as he can substantiate his argument very well by the fact that he has announced the opening of 65 new unemployment insurance offices across the country?

* * *

UNEMPLOYMENT INSURANCE

STEPS TO PROVIDE ASSISTANCE TO PERSONS WITHOUT BENEFITS

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Labour, Mr. Speaker. Last Thursday I asked the minister if he would announce at the latest by Tuesday what plans, if any, the government intends to implement to compensate for the cessation of seasonal unemployment insurance benefits and he said he would have something to announce by Tuesday. He will not be in the House tomorrow so I wonder whether he is prepared to say something today or will he be prepared to make an announcement on Wednesday?

Hon. Bryce Mackasey (Minister of Labour): I should prefer to make it on Wednesday, Mr. Speaker, if the hon. gentleman has no objection in view of the fact that he first brought the question to the attention of the House.

Inquiries of the Ministry

NUMBER OUT OF WORK MORE THAN FOUR MONTHS WHO ARE RECEIVING BENEFITS

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask a supplementary question of the Minister of Labour. When the minister makes his statement with regard to unemployment insurance, would he give the House an estimate of the proportion of the massive number of 348,000 Canadians reported to have been out of work for more than four months as of the middle of April who receive unemployment insurance benefits and those to whom such benefits are not available?

Hon. Bryce Mackasey (Minister of Labour): I shall try to be as factual as possible on Wednesday when I make the statement, Mr. Speaker.

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MANPOWER

SUGGESTED TRANSFER OF STAFF FROM IMMIGRATION TO MANPOWER

Mr. A. D. Hales (Wellington): Mr. Speaker, may I direct my question to the Minister of Manpower and Immigration. In view of the great number of people seeking employment through manpower offices across Canada and in view of the decline in the number of immigrants coming to Canada, which means less work and overstaffing in the immigration offices, does the minister intend to transfer some staff from immigration to manpower offices to help with the extremely heavy load in those offices?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, we are, of course, constantly examining the best location of the staff available to the department as a whole. Although there has been some decline in applications for immigration, this certainly has in no way reduced the load to the point where we can seriously consider reducing staff to any significant extent.

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COMMUNICATIONS

ACTION ON TELECOMMUNICATIONS REPORT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Acting Minister of Communications. Since it is several weeks since the former Minister of Communications tabled the telecommunications report, can the minister inform the House what is happening and what action is to be taken with regard to that report?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): The telecommission report, Mr. Speaker, will be discussed at various levels and especially with the provinces, in the very near future.

Inquiries of the Ministry

[*English*]

INFORMATION CANADA

AVAILABILITY OF TAX INFORMATION IN ENGLISH TO NEW CANADIANS

Mr. Cliff Downey (Battle River): Mr. Speaker, my question is for the minister responsible for Information Canada. In view of the complaints received by Information Canada that in some cases tax information for new Canadians has not been available in English, will the minister say whether this has been brought to the attention of the Department of National Revenue?

Hon. Robert Stanbury (Minister without Portfolio): Yes, Mr. Speaker.

Mr. Speaker: Order, please. I doubt whether that question ought to be addressed to the minister responsible for Information Canada. If we were to follow the lead given by the hon. member, perhaps all questions might be directed to the minister in his capacity as Information Canada. This Chamber would become "Information House of Commons". I would not think that is the minister's responsibility.

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OIL

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—ACTION FOLLOWING MEETING OF UNITED STATES AND CANADIAN OFFICIALS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Acting Prime Minister in his capacity as Secretary of State for External Affairs regarding the discussions which were held some two weeks ago between officials of his department and officials of the government of the United States concerning the danger of ecological damage arising out of the TAPS program. Have any decisions been taken as a result of this exchange of opinions, and what initiatives does the Canadian government now intend to take following these discussions?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, so far as I know no decisions have yet been made in the United States on whether they will proceed with the TAPS program. I will be visiting Washington on June 10 to meet with my counterpart, the Secretary of State, in order to discuss the general question of pollution and I will be following the matter up at that time.

Mr. Douglas: Although the minister has made several protests in the House and on Canadian television, has he made any formal representations to the United States government regarding Canadian concern about the proposed TAPS route? Would he also be prepared to table such a letter of protest, if one exists?

Mr. Sharp: Mr. Speaker, I reported in the House at some length on the representations made by the Canadian government to the United States government recently and I set out there exactly the position that we took with respect to the dangers of ecological damage arising out of the building of that line.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Henry Latulippe (Compton): Mr. Speaker, I would like to ask a question of the Acting Prime Minister.

Considering the lack of balance of our economy, could the minister who has a great experience and knowledge of economic matters tell us if we are at the beginning of a new period of economic expansion or if we are faced with an outlook of unduly long economic decline?

Mr. Speaker: It seems to me the hon. member is inviting the minister to make a statement of a rather general nature. I suggest that such a statement should be made on motions.

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[*English*]

FINANCE

LEVEL OF CANADIAN DOLLAR—BUDGET ACTION TO RESTORE COMPETITIVE POSITION OF EXPORT INDUSTRIES

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the statement made by the Prime Minister last night on the television program "Weekend" that "the Canadian dollar is so strong indeed that it is hurting our export trade because people are finding it cheaper to import goods and more difficult to sell them abroad," is the government planning to take action in the forthcoming budget to restore the former competitive position of, in particular, our labour-intensive export industries?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, for an answer to that question I think my hon. friend will have to wait for the budget. The question of the value of the Canadian dollar is a very complicated one, as he well knows.

Mr. Hees: Can the minister now advise the House when the budget will be brought down? On what day?

An hon. Member: All is confusion. He doesn't know.

Mr. Speaker: Order, please.

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EXTERNAL AFFAIRS

TRIALS OF JEWISH CITIZENS BY SOVIET UNION—DISCUSSION BY PRIME MINISTER WITH RUSSIAN AUTHORITIES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In view of the deep concern felt in this country over the nature of some of the trials of Jewish citizens that are still taking place in the Soviet Union, can the Secretary of State for External Affairs say whether the Prime Minister is to discuss this matter with the Soviet authorities while he is in Moscow?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. Almost the last words I had with the Prime Minister before he left on his aircraft last night were confirmation that he intended to do so.

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MANPOWER

DEPARTMENTAL ADVERTISING OF JOBS AVAILABLE IN FRUIT PICKING AND MINING

Mr. Max Saltsman (Waterloo): Mr. Speaker, may I direct my question to the Minister of Manpower and Immigration. Has his department been conducting any advertising campaigns indicating the availability of jobs in the fruit picking industry and in the mines?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I will have to look into the question of exactly what advertisements are used in regard to each of these. In a general way, of course, we bring to the attention of potential workers openings which generally exist in mines and specific agricultural opportunities. I am not sure of the openings existing at the moment beyond the ones in our own offices.

Mr. Saltsman: While the minister is checking into that matter, would he also look into the statement by the Prime Minister that Canadians do not want to do this work?

Mr. Speaker: Order, please.

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YOUTH

OVERSEAS STUDENT EXCHANGE PROGRAM—APPLICATIONS RECEIVED AND APPROVED

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, may I ask the Minister of Manpower and Immigration a question regarding the overseas student exchange program announced some time ago. Approximately how many applications have been received from students and how many have been approved?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, again I should like to get up to date figures for the Leader of the Opposition. In a general way the program has been oversubscribed for most countries, but I would have to ascertain up to the moment how many students have been accepted by host countries.

Mr. Stanfield: When the minister gives that information the next time he is in the House, will he also advise the House whether the program will get off on schedule and whether there have been any changes in its administration?

Inquiries of the Ministry

THE CANADIAN ECONOMY

FORECAST UNEMPLOYMENT RATE FOR 1971

Mr. Walter C. Carter (St. John's West): Mr. Speaker, may I direct a question to the Acting Prime Minister. In view of the statement made on Thursday by the Minister of Finance that the government is going to achieve a rate of real growth for 1971 of between 5 and 5.5 per cent, can the Acting Prime Minister tell the House specifically what unemployment rate the government anticipates for the same period, 1971?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Minister of Finance has indicated that he expects there will be a decline in the rate of seasonal unemployment throughout the year—

Mr. Hees: He has been saying that for months.

Mr. Sharp: —as a result of a steadily expanding economy.

* * *

INQUIRY OF THE MINISTRY

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I direct a question to the government House leader. In order that Parliament as well as the government may have direct access to the views of the hon. members for Trinity and Duvernay by means other than the news media, can the House leader tell us whether he will be appointing those two hon. members to any standing committees of the House and, if so, to what standing committees?

Mr. Speaker: Order, please.

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POWER

PROPOSED MORAN HYDROELECTRIC DAM ON FRASER RIVER—GOVERNMENT POSITION

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, may I direct a question to the Minister of Fisheries and Forestry. It concerns the proposal to build a hydro—the Moran Dam—on the Fraser River. Has the government taken any position regarding this mooted dam? If so, what is the position of the government?

Hon. Jack Davis (Minister of Fisheries and Forestry): Because this very large dam would be built on an important salmon river which is also navigable, I am sure the federal government would be concerned about its construction.

Mr. Rose: Can the minister tell us whether he or his department has entered into discussions with the government of British Columbia concerning this matter?

Mr. Davis: We have appointed several of our officials who are knowledgeable in these matters to work with the British Columbia Energy Board on studies involving the development of all of the Fraser River system, including dams at various sites, such as the Moran Dam.

Inquiries of the Ministry

WATER RESOURCES

GRAND RIVER CONSERVATION PROGRAM DAMS—FEDERAL SHARE OF COST

Mr. A. D. Hales (Wellington): Can the minister advise the House what percentage of the cost of the dams which are to be built under the Grand River conservation program will be borne by the federal government?

Hon. Jack Davis (Minister of Fisheries and Forestry): Under the new Canada Water Act the percentage is not set out under the legislation. It will be a figure negotiated by the federal government and the province concerned.

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THE CANADIAN ECONOMY

POSSIBLE WAGE AND PRICE CONTROLS—ASCERTAINING OF VIEWS OF PROVINCES AND GENERAL PUBLIC

Mr. John Lundrigan (Gander-Twillingate): I have a question for the Acting Prime Minister. Perhaps he could take it as notice. Could the hon. gentleman ascertain, and report to the House tomorrow either on motions or during the question period, what plans the government has to elicit a response from the general public and the provinces concerning the contingency plan the government has in mind in connection with wage and price controls in order that it will not be sprung on the Canadian people in view of the very great concern today about over-involvement of government in the economy?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. I do not think it would be appropriate to hold consultations of that kind at this time. The provinces could, of course, at any time, if they wished, establish price or wage controls. They have the constitutional right to do so. The federal government can only operate in this field, I should think, during periods of some emergency. I therefore do not believe consultations of the kind suggested would be appropriate.

Mr. Lundrigan: Have the provinces been advised of the option, with any suggestion that they should impose price and wage controls?

Mr. Sharp: The provinces are very well aware of their constitutional authority.

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LABOUR CONDITIONS

FAILURE TO HIRE SASKATCHEWAN WELDERS FOR PIPELINE CONSTRUCTION PROJECT IN PROVINCE

Mr. John L. Skoberg (Moose Jaw): I wish to direct a question to the Minister of Labour, Mr. Speaker. It is based on the practice of hiring pipeline welders in Edmonton or Winnipeg only for a Trans-Canada construction job in Saskatchewan, a practice which effectively prevents the hiring of welders from Saskatchewan. Would the minister investigate such hiring procedures and determine whether Saskatchewan welders are not entitled to a fair chance of such job opportunities?

[Mr. Davis.]

Hon. Bryce Mackasey (Minister of Labour): I am not sure if this is a question I can answer adequately. Perhaps it should be directed to the Minister of Manpower. But it seems very likely to be a problem coming within provincial jurisdiction since it concerns hiring arrangements.

Mr. Skoberg: Could I ask the Minister of Manpower if he has any indication whether any Saskatchewan welders could be hired for work on this project?

Mr. Speaker: Order, please.

• (3:00 p.m.)

GOVERNMENT ORDERS

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DETERMINATION OF PAYMENT FOR WHEAT—EXTENSION OF APPLICATION TO FLAXSEED, RYE AND RAPESEED

Hon. Otto E. Lang (Minister of Manpower and Immigration) moved that Bill C-238, an Act to amend the Canadian Wheat Board Act, be read the second time and referred to the Standing Committee on Agriculture.

He said: The bill before us contains a number of items designed to take account of certain changes and special situations affecting the grains industry.

The Canadian Wheat Board is, of course, experiencing a very successful year in sales and in the movement of grain to export markets with the co-operation of all sectors of the agricultural community. Sales figures are extremely heartening after several years of difficulty, largely as a result of the world market situation. Trade was reduced and the exports of many countries were affected. Special difficulty attached to Canadian grain exports, particularly of wheat, because of the desire on the part of the Wheat Board, in full consultation with the producers of western Canada, to lend stability to the international market in the hope that the International Grains Arrangement now coming to an end would be ratified and would be fully effective. In the end, this attempt to secure this objective, one in which we very strongly believed, came to nought, and it was necessary for the Wheat Board to move vigorously in competition with our fellow exporters to obtain a greater share of the world wheat market, as well as to gain a share of the course grains market larger than we had enjoyed previously. These attempts are now proving successful and we see our grain exports achieving levels which tend to show promise of a record year in terms of total bushels of grain exported.

The changes proposed in the bill have to do with a number of special issues arising from developments which have been necessary to keep our grain competitive and our system operating as effectively as possible. We have, of course, seen changes in the Canada Grains Act which permits Canadian wheat to be sold in markets abroad on a protein graded basis. These resulted in the

basic grades for wheat being changed as of the beginning of the next crop year from the former Canadian No. 1 Northern, No. 2 Northern and No. 1 Hard to the new grade, No. 1 Canada Western. This necessitated changes being made in the Act to allow the initial price for wheat to be set on the basis of the new grade instead of on the basis of the previous standard grade. In order to deal with the possibility that from year to year in the future modifications may have to be made to the grading, or a new grade introduced in response to customer requirements, the bill before us will allow more flexibility in determining which grade of a particular grain shall be used as the hallmark for the initial price in a particular crop year. In addition, the bill recognizes the changes in the grading system which are taking place.

In the last few months the Wheat Board has outlined to producers a new quota system under which the producers themselves may assign their eligible acres to the grain of their choice for sales purposes without relation to planting practices. This measure of additional flexibility is recognized in the small changes the bill proposes with regard to the quota system.

The bill also contains a proposal under which, in certain circumstances, the crop year could be extended for the purpose of receiving grain, principally to equalize delivery opportunities as between producers. Some difficulty has arisen in the past with regard to this. Though desirous of extending the crop year with respect to the delivery of certain amounts of grain we found our hands tied by the law as it now stands. In these circumstances, the price in the subsequent crop year had to be applied to the balance of the grain delivered. It will now be possible to extend the crop year under arrangements which would allow the current price to continue for the balance of the amount outstanding. This provision will, I am sure, be recognized by hon. members as introducing additional equity to the quota system.

The bill before us also proposes some improvement in regard to the penalties applicable under the Canadian Wheat Board Act. It is of interest to every producer that the rules which are set out in the act, and which are designed essentially to provide equity between producers, be adhered to. It is a disadvantage to any producer if these rules are broken at his expense, in the interests of some other person who is trying to obtain a greater share of the market or otherwise and who thus ignores the principle of orderly marketing. Producer organizations have generally requested this improvement, this strengthening of the act, in terms of enforcement, and we propose to do this in the bill.

At the same time, it is proposed to allow for some summary procedures to be used in those cases where, as so often will happen, the producer has no interest in disputing his liability or his breach of the regulations. In such cases, without the formality of court procedures it will be possible to complete the process of enforcing the appropriate penalty. To safeguard the rights of the producer and his interests in case he should protest his innocence or otherwise want to defend himself against allegations made against him, he will be able to transfer the case into one of the kind we have known before, namely one where the full protection of the court and of due process will be available to him.

While I do not want to spend a great deal of time talking about the bill and the general changes that are made in it, perhaps I should say a few additional words about one further change in the bill, one that has received a good deal of attention. This is the proposal to permit at some later date, should it become desirable, an extension of the act to one or any of the crops of rapeseed, rye and flax.

When the Canadian Wheat Board Act was before Parliament some years ago, such extension was allowed for barley and oats, and later on the act was extented to them. In placing the power to so extend the act before Parliament, I do so recognizing that there are some fairly strong feelings on both sides of the issue throughout the prairie region. There are many who become much excited at the very suggestion of an extension. There are others, I must say including most of the major producer groups, who have asked for some years now for the extension of board marketing to these grains.

It is my view that a good deal of discussion and an increase in the amount of information available about the impact of the marketing systems is required before any final decision can be taken on this very important question. Once again, I want to emphasize the fact that these enabling provisions contained in the bill do not indicate any intention one way or the other in regard to changing the marketing system; they are simply in the bill in order that, if a decision is taken, one that has the full support of the producers, we will be in a position to act on it thereafter in orderly fashion.

Producers are concerned about a number of things in the existing marketing system. One problem that they have always had before them, I think, is price changes from day to day in the non-board marketed grains. Frequently, producers express the desire to have an average price or pooled price available to them. In discussion with the producers the question has arisen whether this can be obtained in any one way or whether in fact there are a number of ways of providing for a pooling solution to what they consider to be a problem.

The other serious problem that afflicts some of these non-board marketed grains is whether the price is set in a manner that is fair to the producers or whether some returns are retained elsewhere in the system at their expense. This is a further question that requires constant study and consideration.

Concerned about the marketing of oil seeds in particular, last year I appointed a committee to study the question and report back on an appropriate marketing system for oil seeds. The committee was composed of distinguished representatives of the rapeseed industry, including two well-known farmers who themselves were growers of rapeseed. This committee reported in June of 1970 and indicated that, in its view, not enough information was available to producers at the present time upon which a final or appropriate decision could be made about the kind of marketing system that should be applicable to these grains. The committee suggested that once sufficient

information became available to the producers, the producers should be given the chance by means of plebiscite to determine the best possible system. The immediate challenge that this posed to us was the obtaining of additional information for producers; and we have proceeded by asking the same committee to continue its work in an attempt to develop the appropriate information. It was with this background that the enabling sections were placed into the act.

At the same time, my concern about the rapeseed marketing system in particular led me to have frequent discussions with the Canadian Rapeseed Association and the Winnipeg Grain Exchange regarding the problems that existed, or seemed to exist, in the futures market and the spreads that could exist between the price received by the farmer and the apparent end marketing price.

I should like to pay tribute to these two organizations for the co-operation that they have given in attempting to locate difficulties in the market system and pricing mechanisms as they affect the individual farmer. I also thank them for the action they have taken in gaining the co-operation of all sections of the industry in putting into place a number of improvements to the marketing system. This kind of co-operation is certainly welcome, is very much in the interests of the producers, and should be known and understood by them.

In dealing with the legislation before the House, it is my hope that what we will try to do is to continue to give to the producers the maximum amount of information about the difficulties in the various marketing systems; that we will continue to maintain an atmosphere where the emphasis is on information rather than recrimination on trying to understand the merits of the systems that may be available. It is my clear view that no change in regard to any of the grains should be made without the fullest producer consent. Indeed, it would be folly to do otherwise. Sections of the trade other than the producers would not want any such change made, and I do not understand why anyone would want to make a change except with the fullest consent and understanding of the producers. Certainly, I would be happy to make clear my view that the consent of the producers should be obtained in the clearest possible fashion before any change is contemplated. I might also say that my view is that the very fact that we want to talk about finding the best possible system of marketing should in no way lead one to the judgment that the system is going to be changed.

I think the changes contained in this bill will improve the ability of the Canadian Wheat Board to continue its strenuous efforts to maximize the return to the Canadian producer by obtaining, in the most effective way possible, the best price and the best-sized market available to him in the world. I urge hon. members to give their support to these amendments and to assist in seeing that they become law in order that the Wheat Board is thus given additional ability and power to help the Canadian farmers. I, therefore, have the pleasure of moving the adoption of this bill on second reading and its referral to the Standing Committee on Agriculture.

[Mr. Lang.]

• (3:10 p.m.)

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I think I can join with other members of this House, particularly those in the official opposition, in welcoming the introduction of this measure to the House of Commons. Anything that can be done to enhance the economic welfare of the agricultural industry is always welcome. The government has introduced Bill C-238, an act to amend the Canadian Wheat Board Act, today for second reading and, as the minister says, referral to the committee for further study.

In introducing this bill in the Commons for first reading on April 21, the minister responsible for the Wheat Board also tabled a statement as to why certain changes should be made in the act. His statement started off by referring to the fact that the changes take into consideration the introduction of protein grading. This is good as the farmers and the grain trade are all in favour of the protein grading of wheat as outlined in our new Bill C-175, an act respecting grain.

The next part of his statement refers to the possible extension of the board system of marketing to rapeseed, rye and flaxseed. This suggestion, as farmers and members of the grain trade know, has stirred up another hornet's nest as this government seems prone to do from time to time, and I will have more to say about that matter a little later in my remarks. The minister went on to outline several other reasons for amending the act, including the fact that the quota delivery base has to be adjusted to the assignable acreage feature in the new quota system.

With the introduction of a pre-seeding announcement of minimum quota levels for an ensuing year, it has become necessary to make allowance for those years in which the minimum quota levels may not be achieved and it may be necessary to allow farmers to deliver the balance of the announced quota levels after the crop year has ended. This is an area that can become somewhat complicated and frustrating to our farmers. However, this government seems good at that.

The final area of concern in the minister's April 21 statement in relation to this bill dealt with the producers having stressed the desirability of the effective administration of the act with regard to grain deliveries. To this end, it was considered desirable to revise the penalty clauses in the act.

I think it would be proper at this point to suggest that it is my opinion, and I believe the opinion of a great many farmers and people connected with the grain trade, that it is high time we had a debate in the House of Commons on the present status of the Canadian Wheat Board; its record, what can be done to improve its functions in relation to Canada's very important grain industry and, in general, to defend the Wheat Board against some of the unwarranted attacks made against it in recent months. Like private industry, federal or provincial governments, the field of education and so on, we have to take stock periodically as to whether policies, functions and general administration in each of these

areas are meeting with approval of the public and providing the service that is necessary in this very competitive world.

Crown corporations such as the Wheat Board should be no exception. So, it was with a great deal of general satisfaction, I believe, that the public responded to the statement of the board some time ago that they would welcome a committee being established to do a complete survey or analysis of the present operations of the Wheat Board and come up with suggestions for improvements. This committee was set up on the initiative of the Canadian Wheat Board and was headed by Mr. Merril W. Menzies, one of the most knowledgeable men in the grain trade. Mr. A. T. Baker of the Alberta pool and Dr. J. L. Liebfried of the Canadian Wheat Board were two more of the committee members and, just to give it an international scope, two other experts, one from the United States and one from Europe, were added to the committee. The committee known as the Canadian Marketing Review Committee was established in July, 1970 and brought down its report in January, 1971.

Several of the main recommendations of the committee were that the Canadian Wheat Board should continue to be an integral part of our Canadian grain marketing system, that a permanent grains policy group should be established with the chief commissioner of the Wheat Board as vice-chairman, with producer appointed members making up the majority of membership in this group. The report went on to emphasize protein grading, which has already been established and which came into effect April 1, this year. Other suggestions of course dealt with improvements to our transportation, of grain storage, and related matters too numerous to mention here. Suffice to say it was not a whitewash job, as some critics of the Canadian Wheat Board are prone to think, but a very comprehensive but belated study and review of the whole grain marketing situation.

I should like to interrupt my general remarks at this point to quote from an article which appeared on the editorial page of the *Western Producer* for May 13, under the heading "Report on Canadian grain marketing". It reads:

> For a number of reasons, the recent report of the Canadian Grain Marketing Review Committee which was considered in a general way in this column in a recent issue merits more detailed appraisal. Perhaps first among the reasons is the fact that this review of Canadian grain marketing was really the first public examination of this important subject since the Canadian Wheat Board was established in 1935. The six-man review committee took its assignment seriously and subjected the many aspects of Canadian grain marketing to a piercing examination and produced a report which is both frank and challenging.
>
> In this and subsequent issues The Western Producer intends to discuss the review committee's report under four headings: the importance of the Canadian Wheat Board, the development of Canadian grain policy, grain quantity and quality, and fiinally, salesmanship.
>
> The assignment was "to evaluate Canada's system of selling grain under changing world conditions." The committee itself put the assignment in a more detailed way in the first paragraph of its 52-page report when it said: "The Canadian Grain Marketing Review Committee was established to make an extensive examination of Canada's grain marketing system with special reference to wheat, and to recommend specific changes designed to increase the effectiveness of Canadian grain marketing, starting from the premise that the Canadian Wheat Board system of centralized selling would continue in effect".

The article goes on in a laudatory manner to support the premise of this report on the Wheat Board. I might say, in looking around the Commons, that I am disappointed there are not more members on the government side to listen to and take part in this debate regarding one of our most important Crown corporations.

Mr. MacEachen: You have just six on your own side.

Mr. Southam: It should be mentioned in passing, Mr. Speaker, that, going back over the years, the Canadian Wheat Board has been one of the main cornerstones in the general structure of the marketing of farmers' grains. The prairie pools, the private line elevators, the Winnipeg Grain Exchange, and last but not least the practically now defunct International Wheat Agreement being the others.

It must be said that the Canadian Wheat Board's measure of success is actually no better or worse than the government's policies that are established in the area of international trade, because it has to be remembered that Canada has to export roughly 75 per cent of her average grain crops in order for farmers to survive, and at a price that should be commensurate with the cost of production. The current lapse in the International Wheat Agreement has caused untold grievous harm to our grain farmers in this respect.

The Wheat Board was first established in the early thirties by the Right Hon. R. B. Bennett's Conservative administration with a lot of opposition from the private grain trade. When the Liberals took office under Prime Minister Mackenzie King they threw out the Canadian Wheat Board. However, such a hue and cry went up from farmers that it was quickly re-established.

It is very interesting to note however that over the years, and with the change of governments from time to time, it seems in reviewing the history of the board that it ran into most trouble when the Liberals were in office. For instance, in addition to the instance I mentioned a moment ago when the Grits tried to disband the board early in its history, I believe it was about August 1, 1946, the then Liberal government signed a British preferential wheat agreement, to last over a four-year period, under which Canadian farmers were asked to take roughly a dollar per bushel less than world market prices. This cost our grain industry approximately $600 million. The government of the day tried, under the late Hon. James Gardiner, to pacify farmers by putting a token payment of $65 million into the annual pool. However, the reaction among farmers was bad and this did not enhance the Canadian Wheat Board image in any way. Furthermore it was felt, as expressed by the United Grain Growers at the time, that the farmer, to a much greater extent than other interests, contributed both toward keeping down the cost of living in Canada and providing cheap food for Britain. A payment much larger than $65 million would have been necessary to offset this undue $600 million contribution by our Canadian farmers.

Canadian Wheat Board Act

• (3:20 p.m.)

Following a prairie-wide campaign in 1949, oats and barley were brought under control of the Wheat Board. However, there were still grave problems in the international grain market and, after some 12 years of discussion behind the scenes, the International Wheat Agreement was consummated bringing together between 50 and 60 importing and exporting nations in grains marketing. This was a major breakthrough and worked very successfully for 18 long years until it was allowed to lapse in the spring of 1967. Again, a Liberal government had a part to play in the lapsing of this agreement.

From 1949 to 1954, when the Korean War came into the picture, the Wheat Board did not experience too much trouble. However, Canada began to build up wheat surpluses amounting to some 850 million bushels by 1957. At this time in history it was fortunate that the Right Hon. John Diefenbaker took over the reins of government and our party immediately set to work to relieve the situation, much to the gratification of the Canadian Wheat Board, by establishing a positive trading relationship with Japan, particularly in the field of textile import quotas. Then came the major breakthrough into the Chinese market as a result of the government policy of establishing large credits to the Chinese government over a three-year period. The first major sale of wheat in this instance amounted to $428 million.

By stepping up sales to other countries through better trading relations, by the new international wheat price agreement of 1961 which raised the price of wheat by 12 cents per bushel, and by the Conservative policy of revaluing the Canadian dollar which gave the farmer another 15 cents per bushel, the Canadian Wheat Board was able to pay the western farmer the biggest final payment in Wheat Board history in 1962, and also get the quotas wide open for the first time in ten years.

From 1963 to 1967 things went along more or less smoothly in grain marketing under the Board with the present government cashing in on our trade and credit policies. However, the big catastrophe came in the spring of 1967 at Geneva when our government, in conjunction with the U.S.A. and several other major exporters of wheat, decided to allow the International Wheat Agreement to lapse for 11 months, allegedly under the pretense that a gentleman's agreement had been reached that oats, barley and rye would be brought into a new International Grains Arrangement along with wheat on July 1, 1968.

I might interject here to mention something of interest. In the early part of this year, I believe in February, when the Federation of Agriculture for Canada was meeting at the Skyline Hotel, one of the guest speakers was Mr. Tony Dechant, President of the United States National Farm Union. This is one of the most responsible farm organizations in the United States. During his address to our Federation of Agriculture, he finally admitted that following the Geneva Conference in 1967 it was the United States which first broke the gentleman's agreement and set the pattern for the downward trend in pricing in world markets, especially in respect of wheat. This was very interesting. I mention it because I feel, as a result of following this very closely as a member of the Agriculture Committee, that our friends across the way were responsible not only for damaging the general wellbeing of Canadian farmers but also farmers in other major exporting countries. I am not suggesting we should be anti-American, but I do suggest that this is an area in which the Canadian government, through the intervention of some of the cabinet ministers, should have held discussions with their counterparts in the United States such as President Johnson, the Secretary for Agriculture in the United States and others, with a view to curtailing the price cutting. Canada has been in trouble ever since and the loss to our Canadian grain farmers has been a sad, sad story.

Going back to February 1965 the Wheat Board, under the direction of the Hon. Mitchell Sharp, the minister then responsible for the Board, ran into difficulties when he ordered it to cut wheat prices in competition with the United States cuts, thus causing our farmers a loss of some $90 million in the annual pool returns.

Coming up to 1969, in April, the present Minister of Trade and Commerce (Mr. Pepin) was forced to advise the Canadian Wheat Board to cut prices to compete with our U.S. neighbours. Canada still continued to lose out on sales, and quotas went down from six bushels to five, then to four and, in some cases farmers were only able to deliver three bushels. All during this period of time since 1967, the present government, instead of taking the blame for the mismanagement of grain selling, has allowed resentment in the farming community to grow and has allowed those who are seemingly not too familiar with the situation, or their own Liberal supporters who are only too ready to find a scapegoat, to continue to take pot shots at the Board rather than coming to the Board's defence as they should. Sure at times the Board may have been smug and a little careless perhaps, but by and large it had done a remarkably good job in spite of this government, and I trust this bill will assist them in doing even a better job.

Coming back to one particular section of the bill, namely the provision to allow rapeseed, flax and rye to be brought under the jurisdiction of the board at this time, I may say this is a very debatable provision. It is my humble opinion, Mr. Speaker, that the government should give serious consideration to holding a plebiscite among the grain producers of western Canada on this issue. There have been far too many occasions in the past when this government has jumped in with various proposed policies relative to agriculture without first getting an authentic consensus. Illustrations of this point would be the Lift program, the present debate over the grains stabilization program under Bill C-244 or, the most aggravating of all, Bill C-176. If a vote were taken among bona fide producers, I am sure it would quickly settle the argument and take the government off the political hook at the same time.

There are many conflicting opinions about the control of oilseeds in the market place at the moment. Mr. E. K. Turner, President of the Saskatchewan Wheat Pool, and Mr. J. O. Wright, Secretary of the Saskatchewan Wheat

Pool, seem to favour the six major grains being brought under the jurisdiction of the Canadian Wheat Board. On the other hand, Mr. Walter Nelson, President of the Palliser Wheat Growers Association, an organization in the middle of our Saskatchewan pool area, takes a dim view of rye, flax and rapeseed being brought under the Board. He states that it would be a discouraging step in the wrong direction.

I must say that many farmers feel these are special cash crops over which they should have control in order to supplement their other annual income from time to time. Personally, I believe the government is in a bind on this issue since, because of its proposed grain stabilization policy, it may feel it is necessary to force the farmers, one and all, to place these grains under the Canadian Wheat Board for administration of the stabilization program if for no other reason. As I suggested earlier, I feel this issue should be settled by a plebiscite. There are many more comments I could make in respect of this bill but I am sure there are other western members, and my colleagues in particular, who will want an opportunity to discuss this piece of legislation in the House before it goes to the committee.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I think some of the things proposed in this bill are of a routine or housekeeping nature. For example, there are the changes in grades to accommodate the new procedures which are made possible under the new grains act, if that is the right term and I believe it is. These changes would make it possible to put in place a pricing mechanism which would fit in with the new grading procedures under the new act. Of course, this was to be expected.

• (3:30 p.m.)

I should like to say to the minister, through you, Mr. Speaker, that I am glad he is proceeding expeditiously in this regard so that maximum advantage may be attained. I think we will have to wait and see how the new pricing system, the opportunity to be more flexible, will work out. I do not think we can say at this point whether this will be a bad or a good thing. This has been done to some extent in that we have changed the initial price of a particular grain in mid-year to fit circumstances which were not foreseen at the beginning of the year. If the flexibility helps us to sell and reflects fairly the value of the grain, then surely that is the objective of the pricing system, whether it is operated by the Wheat Board or by the Winnipeg Grain Exchange. The yardstick by which you measure such an operation is how effectively it works and how fairly it reflects the demands that exist within the market to which we have access.

We will have to wait and see how the changes in the quota system work. I can foresee some difficulties when farmers try to adjust to this new system, when they try to decide in the spring what they will deliver, and when they try to establish the base upon which they will deliver during a full crop year. There might be some difficulty and some hardship, unless at some point in time the farmer can review his position. If the crop does not turn out as he expected, he will have to try to adjust to the circumstances in which he finds himself. Sooner or later, that fact will have to be recognized under the new quota system.

The extension of the crop year is a possibility which should be considered; in fact, it has been done before officially. In this way, the needs will be recognized. I hope we can attain the objectives which we have set for ourselves in this regard. Again, this bill will permit us to do what has to be done. A really difficult provision is the one regarding penalties under the Wheat Board Act and the manner in which those penalties are assessed. There is no question that if we are to have a quota system under the Wheat Board, this system must be observed because if it is not observed by the total community it will not work. If enough people break the rules and refuse to abide by them, we will have to go back to the old catch as catch can system and we will find ourselves running around with a truckload of grain from one elevator to another. If we do so, we will spend as much time trying to deliver grain as we spend on planting, which would be an unfortunate situation. I think that the penalties proposed by the minister are designed to forestall this possibility. I do not think any of us want to see them applied too severely, but again I say that we must do the job that must be done.

The bill also provides for the inclusion of flax, rye and rapeseed, but I do not know at what point in time. The minister is very ambivalent in this respect. He says in one breath that he will do it and in the next breath that perhaps we had better wait a bit and think that over. Perhaps some of the discussions which he had in Winnipeg with officials of the trade may have had some effect on his attitude. In the last press release the Minister issued in May, he stated:

> There have been producer representations made on this subject and it was for this reason that the enabling clause was included in the amendment to the act.

But he also said:

> But I repeat, the government has no immediate plan to change the marketing system for these grains. And I assure producers that before any such change is contemplated there will be thorough discussions with everyone involved.

I wonder what effect the minister thinks the stabilization program will have on the income of the individual farmer when a large part of his income will actually not be taken into account in the Wheat Board figures. One can see that this plan might work, although rather badly, when wheat, oats and barley are included, since these crops are pooled and since every farmer is going to receive the same price during the crop year. However, this situation will not necessarily apply to other major grains such as flax and rapeseed. In fact, the probability is that there will be a wide difference in what each producer receives. I, personally, have seen the price of flax fluctuate $1 a bushel between September and January or October and November of a given year. Rapeseed moves in the same fashion. As a matter of fact, the Vancouver future price moved between $3.41 a bushel and $2.87¼ a bushel between April 1 and April 2 of this year. The minister has never quite explained to the House how equity will be established under the stabiliza-

tion plan between farmers who caught the high point of the market and ones who caught the low point of the market.

• (3:40 p.m.)

When the minister brought in this proposal, I thought one of his objectives in bringing these grains under the Canadian Wheat Board was to equalize the returns of farmers under the stabilization plan. This is the only real justification for a stabilization plan. But on May 11, he assured us that he had no intention whatsoever of doing it for that reason. I almost hesitate to ask him if he is introducing this proposal as a threat against the grains trade, so that some time in the future he can say to the companies involved, "Look, boys, if your price to the producer is not fair, there is a provision in the legislation which I can use." Is this a fair assumption to make?

In a press release on April 28 Mr. Atkinson, President of the National Farmers Union, said it had been the practice of grain companies dealing in rapeseed to take a premium at times of 25 cents to 50 cents a bushel, in addition to their regular commission. Frankly, Mr. Speaker, I think Mr. Atkinson is a little extravagant in that statement. Last winter I made a rather thorough investigation. In November, I started to keep careful track of prices paid to producers and to the futures market. Of course, one cannot come up with an exact figure, but I have come to the conclusion that the figure involved here is around 30 cents. As I say, I think Mr. Atkinson is a bit high, but still 30 cents is a pretty good bite. As I say, Mr. Speaker, it is very difficult to get an exact figure because you do not know when an importer is buying in Vancouver against future delivery, whether he is buying the near future, the next future, or so on. But I would agree with a statement made by one of the commentators on the farm broadcast last week that those companies which will have to produce figures of their earnings of this particular crop at the end of the crop year will show rather handsome earnings. In fact, I think they will be somewhat embarrassed when they are reporting to their own producers.

I thought the minister was concerned about two things in connection with this proposal. The first one was to create proper conditions for the stabilization plan, and the second was his concern about the method of pricing. But I want to tell him that he should not really be concerned if the Wheat Board, as sole marketer, takes over the pricing of rapeseed and flaxseed. Some people may think that these grains should be left on what we might call an open market, but I have received a letter from the Winnipeg Grain Exchange in which they informed me I was wrong to assume that the Exchange set the prices for rapeseed. They said this was quite erroneous in that street prices are established by a committee. I am not going to name the companies concerned because I do not believe I am at liberty to do so, but I am at liberty to say that the prices for this particular grain are set by committees of grain companies. The grain companies meet in committee and agree on what will be paid to the producer.

If Mr. Atkinson is right and the grain companies have been picking up this kind of margin in addition to their normal commission for performing a service to the producer, then the minister should be concerned. In fact, Mr. Speaker, the minister was concerned, because some time ago I asked him a number of questions about it. The minister had to write to officials in the trade, but I will not bother to quote that correspondence. However, these officials assured him that there were, shall we say, some inadequacies in the system and that they would do their best to correct them. I do not know how the minister will be able to determine whether they have been corrected, unless he intends to tell the trade, "Boys, these grains are now under the act so you had better stay in line."

There have been some marvellous spreads between the Vancouver market that is the near future, and the prices paid to the farmers. I can pick one date when the future price was $3.26 and the cash price was $2.92. In fact, I could quote the figures for many dates, but someone in the Grain Exchange could well reply, "We were not working on the near future, we were working on the one for the next month." In that way, one can sure get a lot of different answers. Really, all we can do is wait until the end of the crop year when some of these grain companies produce their reports. Then, we will know the answers.

I did some digging to find out how the grain companies set the prices they are going to pay the producer. I came up with a figure of about 36 cents a bushel. This was the amount they figured they needed to get a bushel of rapeseed from a point in Alberta into the hands of a buyer out on the west coast. I thought 36 cents a bushel was a pretty nice margin, considering that the freight cost runs around 16 cents. The other 20 cents is made up of elevation charges, and various other charges.

The grain companies included one item which I found rather intriguing. It was half of one cent for invisible losses. I think an invisible loss is a lovely thing. Whoever thought up that term should be given an extra dollar or two by the companies. I asked members of the Board of Grain Commissioners when they appeared before the committee the other day if they knew there was supposed to be an invisible loss. They replied, no, they did not think there was supposed to be any invisible loss. Of course, every grain company that buys grain is legitimately entitled to take a shrinkage allowance to cover loss in shipment whether through handling, in grain elevators or in freight cars. That allowance has remained stable over a great many years, and it has been agreed between the producers and the grain companies that it is sufficient. But these people thought they needed compensation for an invisible loss in order to get at this 36 cents. They charged for weighing and inspection and they charged the farmer for the liner they put in the boxcars. They did not miss a trick. They charged for hauling the dockage out and they then sold it to somebody else.

• (3:50 p.m.)

When the Board of Grain Commissioners appeared before the committee I asked how many cars they

allowed to individual shippers, but they could not give me the answer then. I know that under the block system producers have difficulty getting individual cars, and this is inherent in the system. I am sure the minister would agree that we must see to it that the individual shipper has some assurance of rights to boxcars under the block system. I think that both the Wheat Board and the Board of Grain Commissioners are willing to work this out. This is a factor which makes this matter we are talking about extremely important, Mr. Speaker.

If during the crop year a farmer could walk into a station and say, "I want a boxcar for my rapeseed or flaxseed as I am going to ship it to the head of the lakes or the west coast", then he would have an alternative to any pricing system set up by the grain companies. This is an important point. He could consign his produce to Thunder Bay or Vancouver and instruct his agent to get him the spot price at that point. This price would cover what it actually cost to move the grain and would be related to what the importer would pay.

I do not necessarily get starry-eyed about any particular method of doing anything, Mr. Speaker, but I insist that the producer has a right to the highest price that the market will stand and I do not think that is what he gets. I would have been much happier if the minister had said this afternoon that, regardless of the type of system used, the farmer would receive the highest price that the market would stand; but he did not say this. Through the correspondence which he made available to the House he knows that, during the last crop years, the pricing system has not been working to the satisfaction of the producer. He knows that and I know it, because I took the time and trouble to document it. That is what we are really looking at in the final analysis.

If the people responsible for the grain exchange operation tell me that they are not responsible for the street price that is set or for the elevator system today, I am prepared to accept that they are not. If what you may call the free and open market is not going to be a mechanism for setting the price the farmer will get in the market place, then I say to the minister that, under those circumstances, it had better be the Wheat Board. As a farmer I am prepared to accept, and over the years I have accepted, a marketing system which works and which I am confident will bring me a return equal to what the market will stand. I am not prepared to accept a marketing system which will not do that, which is subject to manipulation, subject to a little bit off for invisible losses and all that sort of thing. Who do they think they are kidding?

Perhaps the minister will reply at the end of this debate and be a little more specific. If he wants to hold a plebiscite or ask the farmers to hold a plebiscite in order to find out what they want, I can tell him it would not be the first time that has been done. It is a democratic way of approaching the problem. However, when he says he really does not know if he will do anything at all, then he will have to answer for the situation that exists in this crop year. He will have to answer for that situation or divorce himself from responsibility for marketing those particular crops. I do not think the minister can stand aside as an observer. He cannot say that it is no concern of his and it is up to the farmers and the companies to see that the inequities and malfunctions of this system are corrected. I think it has to be one way or the other.

The "Pool Broadcast" of April 28, 1971 reads in its opening paragraph:

> A bill that may extend the Canadian Wheat Board marketing system to include rye, flax and rapeseed was introduced in the House of Commons last week.

Then, somebody got Mr. E. K. Turner, President of the Saskatchewan Wheat Pool before a microphone and he said:

> Well, the legislation is certainly not dangerous because it doesn't do anything. It just makes it possible to do something, and, of course, their concern is that it will remove from them the opportunity to make handsome profits on the sale of these grains.

That is the assessment of the Saskatchewan pool, that it is not dangerous because it does not do anything. They probably have come to the conclusion that it does not intend to do anything.

Perhaps the minister will have something further to say on these two points: first, if the stabilization program is to have any chance to actually reflect the average income of farmers for three years, then in a year when the minister decides there is a shortfall in the industry, for two grains as important as rapeseed and flaxseed, the percentage paid will have to relate to what the producer received for them. I do not see how the minister can achieve this unless there is a pool price. If he is not going to do this he should take these three grains out of the stabilization fund and only attempt to operate it on the grains on which he can establish a price, unless he is not interested in the farmer but is only interested in stabilizing the economy. The alternative is to consider ways and means of ensuring a stable price for the producer.

• (4:00 p.m.)

I heard the hon. member for Peace River (Mr. Baldwin) talking about rapeseed as an important product. It is an important part of our agricultural industry, and I agree with him. For many years, Mr. Speaker, I have been growing rapeseed. At one time you could not deliver it to the elevators, because the elevator companies could not be bothered with it. You could only sell rapeseed if you grew enough to load a boxcar and shipped it yourself. I have sold it under contract, as the hon. member for Peace River described. I have handled it often enough and marketed it through enough channels to have some idea of what is involved. I am sure that the minister has advisers in his group who like to tell him about these things. We have not seen the recommendations of the oil seeds groups. I think the minister should make these available to us when the bill goes before the committee. If the report is available, I have not seen it. It ought to be available to enable us to make an intelligent judgment about what should be done. I know some of the members of that committee. They should be able to come to grips with the problem that is involved here.

Mr. Cliff Downey (Battle River): Mr. Speaker, this bill incorporates housekeeping amendments to the Canadian Wheat Board Act. It changes some terminology and some regulations. Instead of talking about Fort William and Port Arthur, we are now to talk about Thunder Bay. With respect to clause 4, we are told that the amendment would allow the board, in special circumstances, "to authorize the delivery of grain after the end of the crop year, for inclusion in deliveries for the expired crop year." I think there is considerable merit in these proposals, especially when we take into consideration some of our experience in the past with deliveries and transportation, when it was not possible for all quotas to be equalized over the year.

I think the basic concern that most of us will express when speaking on the bill relates to the possible inclusion of rapeseed, rye and flax under the selling authority of the Wheat Board. I think it is fairly well accepted that, by and large, the Wheat Board up to now has done a good selling job. Nevertheless, there have been indications in the last few years that some of their selling methods should be reviewed. I think they are being reviewed at present. When you consider the board's past performance, I think you could say that some of the board's programs have not worked out as well as they might have, largely as a result of government intervention. That is why their performance in the sales field has been less than spectacular in recent years. The majority of producers feel that until there is adequate proof that the board is doing the best possible job selling the grains that come under its authority at present, the three additional grains mentioned should not come within the ambit of the board.

A few years ago, possibly, more producers were in favour of including these other grains under the board. Now, in view of what has happened and in view of the decline of the percentage of world trade held by Canadian grain producers, there is some doubt on this. I think that before flax, rye and rapeseed are put under the authority of the Wheat Board, a plebiscite of producers ought to be taken. I think a fairly simple plebiscite might be held, possibly through the agency of the elevator companies. It could involve permit holders coming under the Wheat Board. We need an indication from producers that they want this to be done. I should hate to see these grains coming under the ambit of the Wheat Board if this positive indication is not given by the producers.

It seems to me that the association of private entrepreneurs involved with rapeseed has been doing a pretty fair job in the marketing of that commodity. May I quote a few words from the Edmonton *Journal* of Thursday, April 1. Mr. Hamilton, former chief commissioner of the Board of Grain Commissioners, said in part:

> Rapeseed—our most successful crop—is the one that has had the least government control and interference; that should cause us to ponder. I have watched with growing concern Ottawa's determination to become associated with the rapeseed success story of Western Canada.

[Mr. Gleave.]

He talks about private and public relations in the field of international selling, and says:

> The best public relations job I've seen for Canadian grain? When a Farm Union group from Canada visited China several years ago. I was in China about one year after this group and they had certainly paved the way for us. I am sure this is one of the best ways to promote Canadian grain in such markets.

The *Leader Post* of February 25, 1971, carries this report on the successful merchandising techniques of the rapeseed industry:

> The rapeseed association has been so successful selling rapeseed and rapeseed products that it staggers the imagination.
>
> In his report to the rapeseed association's annual meeting in Edmonton recently, Mr. McAnsh discussed six areas where association rapeseed staff has been active—Japan, Taiwan, Europe, Mexico and Latin America.
>
> 'Within the first year or so of its existence,' he reported, 'the association mounted an eight-man mission to go to Japan—
>
> 'The prime interest of the mission was to promote the use of rapeseed meal in animal feed formulations, in order to obtain a share in a very large market in Japan for feeding stuffs.'
>
> A two-man team was sent to Taiwan in June, 1969, for consultation with oilseed processors. Shortly after, Taiwan bought 1.8 million bushels of Canadian rapeseed.
>
> Early in 1970, a rapeseed mission visited Holland, West Germany, Italy, Spain, France and the United Kingdom.
>
> 'It soon became apparent that hesitancy on the part of animal feed formulators to include rapeseed in their mixes was a barrier to the sale of rapeseed.'

The article goes on:

> The association sent a four-man mission in January to visit Mexico, Ecuador, Peru and Chile. On the heels of this mission came a second of three men to visit El Salvador, Costa Rica,—

And other countries in the area. We can see the kind of job that the rapeseed growers are doing in promoting the sale of rapeseed internationally.

The *Globe and Mail* of April 29 reported the views of Mr. A. M. Runciman, chairman of the Canada Grains Council. According to the article:

• (4:10 p.m.)

> Mr. Runciman said that in its 35 years of existence the Canadian Wheat Board had never experimented with the opening of overseas offices. "So we are simply looking at the possibility of establishing a non-profit, non-government trade agency for the grain industry."

In my opinion, our present diplomatic staffs and missions ought in many cases to be replaced in part, at least, by sales-oriented personnel and organizations.

I should like the House to consider how effective some of these government marketing agencies really are. We were fortunate enough on Tuesday last in the Finance Committee to be given the benefit of the firsthand knowledge of a gentleman who is himself engaged in the export field, a Montreal exporter by name of Mr. George Schäfer. I should like to read from the brief which Mr. Schäfer presented to the committee since it illustrates exactly what we are getting into. This is to be found in issue No. 40 of the proceedings of the committee on Finance and Economic Affairs.

> This year, after a world wide decrease in production versus demand, there is a shortage of milk powder and the E.E.C. has

abolished dairy products subsidies. Knowing that Mexico needs this year wheat as well as milk powder, we suggested that they buy both from Canada. On April 6th we informed the Canadian Dairy Commission of this.

We had solid indication that Mexico was ready to pay more than $200—higher per ton for milk powder than the February price of the C.D.C. but $12-$17 less per ton for the wheat than the cheapest available from Canada.

In other words, they were willing to pay $200 per ton more for milk powder but $12—$17 per ton less for the wheat. The brief continued:

As an independent commodities trading company we felt this called for a combination deal in such proportion that Mexico would buy both from Canada—at least ten times the quantity of wheat—for the good of the country as a whole. But the Canadian Wheat Board sells only through its own agents. The CDC proceeded to sell the milk powder below the price the Mexicans were ready to pay and without selling one ounce of wheat.

The CDC's chairman no doubt feels pleased with himself when, not through his own merit but due to advances in world prices, he obtained a higher price than last year even though this price is below that which Mexico already paid to France the week of March 29, and it does not move any grain.

A typical example of the way State Enterprise operates. At the same time it takes away the livelihood of private firms by excluding them from the actual sales.

In the end, the Dairy Commission did not negotiate and sold the milk powder at less than they might have obtained. No attempt was made to get together with the other selling agency, the Wheat Board, to work out, for instance, an arrangement under which both agencies might have received an equitable return. To continue from Mr. Schäfer's submission:

If I were sitting in your place, I would move to abolish the CDC's power to transact export sales.

Government Agencies, Boards and Commissions should handle market regulation, the arrangements for shipping the merchandise, and paper work, but all sales should remain the domain of private enterprise; not the other way around. Sales must be negotiated by private firms not government officials. It does not create a healthy, vigorous, aggressive private sector if the agreements are already handed to them. This is part of the trouble with our grain sales.

This is not an isolated example. We put in years of pioneering effort to promote the sale of milk powder to the Mexican government purchasing organization, CONASUPO. In 1968 they wired us an invitation to their tender for 55 million pounds of milk powder. The Canadian Dairy Commission refused to give us a quotation, wishing to offer one themselves. The CDC refused even after we received a second telegram urging us to participate in the tender. The CDC did not get the business for Canada—it went to the U.S.A. The CDC ended up selling the surplus milk powder at almost half the price we had indicated to them we could reach in Mexico.

Again, the CDC sold the product at half the price the Mexicans had indicated they were willing to pay.

The following year, when we were finally able to participate in the tender, we secured the business for Canada.

Do you think this State Enterprise was able to tell us what merchandise in its inventories met the buyers' requirements? No, gentlemen. We had to employ surveyors to go to more than ten different warehouses and open sample bags from many lots to find the types the buyers wanted at considerable unnecessary expense. Can you imagine a private firm going after a contract from one of the world's largest buyers not knowing where in its inventory is the merchandise that the buyer wants?

So, in one year the CDC would not permit a private firm to handle the contract, and in the next, when the private firm finally secured this business, the CDC did not even know where to find the particular types of product the Mexicans had requested. This is a typical example of what is going on in connection with the sales of our farm products abroad. There is no denying the facts I have put on record. The minister can check the details with the firm of George R. Schäfer in Montreal and corroborate their accuracy. He can ascertain for himself the inefficiency of our state enterprises in this field, particularly of our international sales agencies. No attempt is made to co-ordinate sales policies.

• (4:20 p.m.)

For this reason, I say we should be extremely cautious before bringing three more grains within the ambit of the Wheat Board. At least we should not do so until the Board has mastered the selling of the products currently under its jurisdiction. The government is attempting to force too many of its projects on producers at the present time. Bill C-176 is an example. As we went across the country hearing evidence from organizations and individuals concerned, it was difficult to find out who had actually requested this type of legislation. To be sure, there were some people who wanted it. People engaged in the poultry industry, for example, felt strongly about it. Perhaps they could and should have had the legislation had the government seen fit to exclude from the ambit of the act those who wish to be excluded. We should not try to force producers into a situation with which they totally disagree.

It seems to me that if these grains are brought under the control of the Wheat Board, the government would be getting into agriculture more and more. We have had ample evidence given during the stabilization bill debate last week that, unfortunately, the government is becoming more and more involved in the regulation of agriculture and less and less involved in financial support. In other words, the government wants to control agriculture even further but is withdrawing its financial support.

I suggest the minister cannot deny that when the stabilization program does go into effect, with the withdrawal of the Temporary Wheat Reserves Act, PFAA and other measures, and with the government's non-support of deficits in grain pool accounts, it is obvious, the government is withdrawing its financial support and increasing its regulatory control. If this course is pursued, in the long run the agricultural segment of the population will, be under the thumb of the government. We shall return to a feudal system where the farmers are serfs of the state. Ample evidence that this is the situation in which people find themselves exists in many of the countries that have completely socialized their industry and agriculture. It soon becomes evident to these countries that workers do not work for the state in the same way that they work for themselves. A prime example of this fact can be found in Russia where Russian peasants produced more per acre from their own garden than they did on the great communal farms. As a result, I suggest we should be very cautious in allowing the government to dominate agriculture in this country.

Canadian Wheat Board Act

Mr. Doug Rowland (Selkirk): Mr. Speaker, since the changes in this legislation are largely designed to reflect in the Canadian Wheat Board Act principles and changes that have already been brought forward in other legislation that has come before the House both in this session and in the previous session, I do not feel particularly moved to go over all the changes in great detail. Their substance has been debated at considerable length on other occasions.

When I mention that this is largely a housekeeping bill, I do so not in criticism of it but simply to explain why my remarks will be largely restricted to one topic. Before I get to that topic, may I mention in passing my approval of the provisions of this bill that allow for extension of the crop year under certain circumstances. I think this provision will meet with the universal approbation of the farming community.

What I do want to spend some time on are the provisions permitting the marketing under the Canadian Wheat Board Act of flax, rye and rapeseed. I am a little disturbed that, after three years in office, the government has not yet discovered a way to determine the will, in this area, of the farming community. I think it is necessary that we end speculation in the matter of pricing farm products if we are to bring any stability to the incomes of Canadian farmers. The bringing of flax, rye and rapeseed within the regulations of the Wheat Board will do this, in effect, for three very important commodities.

The legislation before the House, as the minister pointed out in his remarks, is only enabling legislation. He has left the House somewhat in doubt whether it will ever be employed and, if so, under what circumstances. The minister suggested to the House that there is no information yet available to him, and to the people who will be affected, to enable him to make a rational decision regarding bringing these grains within the control of the Canadian Wheat Board.

The three major pools, the National Farmers Union and the Federation of Agriculture have for some time been expressing their opinion that each of these grains should be marketed through the Wheat Board. This is a very substantial indication of opinion within the farming community. Indeed, short of a plebiscite I fail to see how the minister could expect to obtain a much more definitive indication of the will of the farming community.

I hope that when he brings this debate to a close the minister will give the House some more precise indication of the tactic that he intends to employ to determine the will of the people who produce these commodities, since the minister did indicate that he wanted such information before he finally decided whether to employ the power to market flax, rye and rapeseed under the Canadian Wheat Board Act.

If it is the intention of the minister, through this legislation, solely and simply to have a club to wave to overcome some of the major problems associated with the current system of marketing flax, rye and rapeseed, then he is not engaging in a particularly good legislative practice. Legislation is intended to be used. If we do not intend to use it, other means are available to us to influence groups we want to influence. Simply putting legislation on the books to use as a weapon to ensure good behaviour is not a practice I should like to see followed in Canada.

We should like the minister to give the House an indication how he intends to obtain the opinions of the farming community as to the value of proclaiming this particular part of the bill; what procedures he intends to use to obtain either consent or denial; when he intends to attempt to obtain this consent or denial; and when we can expect a final statement from him indicating one way or the other whether he is going to use these provisions. It is very important that we obtain this information from the minister before the bill goes to committee so that commodity groups coming before the committee have some idea what they are talking about. As I say, I do not like the idea of leaving this whole section of the bill in limbo so that nobody knows just what is going to be done with it. Judging from his remarks this afternoon not even the minister knows. This kind of ambiguous situation should be ended as soon as possible, and I hope the minister will give us a clear indication of his intentions when he concludes this debate.

I think I need say nothing more than that, Mr. Speaker. We in this party have advocated for some years the inclusion of flax, rye and rapeseed within the regulations and that these be marketed by the Canadian Wheat Board. We hope that the minister's final decision will be to use these provisions which he has placed in the bill. We hope that this decision will be reached after consultation with the commodity groups concerned before the beginning of this crop year. I should like some assurance from the minister that he is moving rapidly in this direction and that he can expect to receive the information which he considers necessary for that decision before the beginning of this crop year.

• (4:30 p.m.)

Mr. Jack Murta (Lisgar): Mr. Speaker, in rising to speak to the amendments to the Canadian Wheat Board Act, I should like to say at the outset that until a few weeks ago I could have supported the general terms of these amendments proposed by the minister responsible for the Wheat Board. That was before these amendments included flax, rye and rapeseed. I cannot in any way, shape or form support this kind of an inclusion. By bringing flax, rye and especially rapeseed, under the jurisdiction of the Canadian Wheat Board, the government and the minister are completely disregarding the wants, the needs and the feelings of the majority of producers and others engaged in this segment of our agricultural industry.

I should like to say that over the past few years, with the exception of some years of crop failures in other parts of the world, the Wheat Board's handling of the grain industry has been incredibly inefficient. For the most part, attempts to sell our grain on the international market have not been aggressive enough. We have not been selling grain in world markets and the Wheat Board

has not been looking for new markets we should have found years ago.

In the last two or three years, Canada has lost a great many markets and customers because of the lack of aggressiveness on the part of the Wheat Board to seek markets for the Canadian grain produced in western Canada. A constant supply of a quality product is what the market demands, and it has been seen that if we cannot supply this product other countries will do so. As a result the farmers in western Canada have taken home less in their pockets.

The government must also realize that farmers have a right to a reasonable margin of profit if they are to share in the national wealth. With the surplus of wheat and incentives last year not to grow grain, I find it difficult to comprehend why buyers would be turned away because of a lack of supply. This has happened at a time when the prairie economy is in need of every possible dollar from sales to bolster the sagging incomes of grain producers.

It has been said that the prairie region continues to be like a sack of grain tied at both ends, one end at Thunder Bay and the other at Vancouver. The strings are in the hands of the people who regulate the supply, while the grower usually pays the bill. We cannot continue to leave the producers' lifelines in someone else's hands. I, for one, am an advocate of less government control in this segment of agriculture, and less intervention by the government in the affairs of western producers. I see this as a necessity before we will really become efficient and able to compete in the marketplace with other countries of the world. Unfortunately, this government sees fit to move the other way. Through revisions to the Canadian Wheat Board Act, although in part they are good, the Canadian Wheat Board is becoming more of an extension of the arm of the government or of the minister responsible for the Wheat Board.

In the matter of the Canadian Wheat Board and grain policy, I believe if we are going to become more progressive and a more constant supplier to our export sources we must start thinking in terms of enlarging the storage capacities of the terminals in our export ports, and also possibly in ports such as Rotterdam and in Asia. This is something the government must begin to consider. The fact that we are proposing to hold down our grain stocks is in part, commendable. I believe this will enable a greater throughput through the so-called grain pipeline. On the other hand, if strikes are called, and we have to be realistic and assume that they will occur, we will be caught as we were a few months ago with an inadequate supply of grain to meet our export commitment. Once we cannot fulfil our commitments we will lose markets and they are very hard to recover. As soon as we lose them some other country picks them up.

New terminals have been criticized by some people as being too costly. They may well be expensive but the question we should ask ourselves is, how much would it cost not to build new terminals? Perhaps we did not need the Lift program as badly as we needed an improved marketing system. In the 1960's we learned how to produce, and in the late 1960's our traditional markets became saturated. In the 1970's we found more new markets and now, at times, ships sit in the harbours because we cannot move our product to the marketplace. As I see the situation right now, one of the greatest problems facing the grain industry today results from the lack of a fully integrated system to convey grain from the field to the boat.

One of the most welcomed developments to come along in recent years was the inclusion in this legislation of the protein grading system. It is true that Canada was late in implementing such a system. It has been long overdue, and I think it will be generally welcomed by agricultural producers and people in the grain trade across western Canada. Countries no longer buy grain on straight grades, but because of new refined processes in milling, such as a Chorlywood process, countries now buying our grain must know and want to know the protein content of that grain in order to mix it with other substances to make acceptable loaves of bread in other countries, particularly the developing countries. The importance of guaranteed protein content to be included in wheat grading under the new Wheat Board Act regulations becomes very obvious in light of bread and milling developments throughout the world.

In the latest copy of the *Free Press Weekly* dated May 15, 1971, there appeared a short article regarding Germany's wheat need. It states that a guaranteed protein content of not less than 13 per cent is required. To sell them wheat with a lower content is an impossibility. They are not interested in it at any price because they must support the price of their local wheat. Apparently the local wheat is used to mix with our grain. The lower the protein the more the need for the mix, so they want northern spring wheat of a high protein type. That is the kind of wheat we produce in western Canada. The importance of protein grading being included in a wheat grading system cannot be underestimated. The wheat that is used will have to be of a guaranteed protein quality or these countries will not buy from us. A case in point is that article regarding the requirements of Germany.

The revision of the quota system does have some merit for the over-all movement of grain. It does enable the proper kinds of grain to be hauled at various times under a non-cumulative quota and then moved out to export positions as the Wheat Board sees fit. This will get us away from the disastrous plug-ups we have had in our grain handling system at various times in the past few years. I believe in 1968 and again in 1969, we had a glut of grain in the so-called grain pipeline.

The non-cumulative quota will, on the other hand, be more difficult for the producer. The producer could very conceivably, through no fault of his own, be locked out of a certain quota system for grain. We could take the example of an area such as the Red River Valley of Manitoba. Because of a late fall, and this area quite often has a late fall because of wet weather, if there were a quota for barley in August the producers would lose their quotas as a result of being unable to harvest their crops. This is also going to be unsatisfactory for producers who

have to go to granaries and haul a one or two-bushel quota in the middle of winter instead of waiting until a satisfactory quota is obtained, making it worthwhile opening the granaries and going to the work and expense of hauling that grain.

• (4:40 p.m.)

At this stage in the debate I wish to say that I am in general agreement with the revision of the quota system and also protein grading, although I believe this locks the producer into a segment of his industry. I also believe, as I mentioned before, that this would make the Wheat Board more an arm of government rather than an agency for the producers as it should be. In dealing with this kind of legislation, I believe we must weigh the merits of what would happen to producers under these changes against the need to streamline our grain handling and grain exporting system.

Then, we come to the amendment which has been included in the past few weeks by the minister responsible for the Wheat Board to which I am totally opposed. I refer to the inclusion of flaxseed, rye and rapeseed under the Canadian Wheat Board. I believe the legislation provides for the extension of the Wheat Board marketing system in respect of flax, rye and rapeseed without the usual safeguards, including the benefit of public debate and decision making, especially by the producer segment of the agricultural industry which will be most directly affected.

In his opening remarks this afternoon, the minister mentioned he would not apply such legislation unless it should be needed. The minister may have very good intentions in this regard, but I suggest that another minister responsible for the Wheat Board or another government might feel differently, and since the legislation would be on the books it could be used at any particular time. If we are to consider such legislation, I believe some form of a producer plebiscite should be contemplated before the matter goes to the committee so that we might know whether or not the producers really want this form of legislation. If this were done afterward, it might be too late because possibly the damage would be done. The minister responsible for the Wheat Board has never really clarified his own position on the subject. I hope that sometime during this debate he will tell the Canadian people, the Canadian grain producers and rapeseed producers just where he stands on this subject. He said this is to be enabling legislation that would not necessarily be used. Then, he turned around and said to the rapeseed producers or rapeseed associations that the marketing of rapeseed is generally in good hands and that he sees no need for change. If this is the case, I would ask the minister why this provision was ever included in the legislation.

The main fault I find with the inclusion of rapeseed under the Canadian Wheat Board is the fact that rapeseed will not be marketed through the futures market by our grain exchanges. Mr. J. J. Danfield, the Executive Vice President of the Canadian Rapeseed Processors, who is also President of the Canadian Rapeseed Association, said:

> It is absolutely imperative that the futures market trading be continued to permit our company to continue operations allowing processing and marketing of oil and meal products both for domestic consumption and export.

He also said that if rapeseed is included under the Canadian Wheat Board, they will have to cancel negotiations in respect of a 30,000 ton export of rapeseed meal. I believe the placing of rapeseed under the Canadian Wheat Board would mean the kiss of death for a crop which could be and has been very beneficial to western Canadian farmers. From my talks with various people in the Canadian rapeseed industry there would seem to be a strong feeling that the motive behind the minister's amendment is to try to recoup some of the heavy deficit incurred by the board in its operations in respect of the wheat, oats and barley pool. In other words, the rapeseed growers who have been selling at a profit would be charged with the losses in respect of other crops by being included in this legislation.

Mr. Lang: Mr. Speaker, may I ask the hon. member a question.

Mr. Murta: Certainly.

Mr. Lang: I wonder whether the hon. member realizes that under the existing legislation the grains are kept separate so that his suggestion would not be applicable in any case.

Mr. Murta: Well, from talking to various people in the trade my understanding is that if this provision, were enacted there is a strong possibility that could be the result. On the other side of the coin is the fact that the importers of rapeseed, rapeseed oil and meal around the world repeatedly have warned that they would not be interested in Canadian rapeseed unless grain exchange facilities are available to enable them to hedge their purchases. I believe that if rapeseed were brought under the Canadian Wheat Board, this possibility would be denied to the importers in other countries. It is interesting to note that a leading British importer of oilseeds, and a leading authority on marketing, estimated that in the next ten years Canada could probably build an export market for 500 million bushels of rapeseed. That is as much rapeseed as the total amount of wheat we have exported this year. The potential of this crop is terrific. He also warned that this could be accomplished only under an open market with grain exchange facilities.

I believe that before the minister's amendment concerning rapeseed, flax and rye is passed he should explain to the rapeseed growers in Canada why he thinks the board would be better able to market their crop. With an open market, the grower can elect to sell his rapeseed crop for cash to an elevator company or to seed crushers without incurring storage charges or paying indirectly the interest charges that the Wheat Board would have to incur in buying his crop. He can also load a car of rapeseed, ship it to a terminal and sell it on track for the

going cash price of the day. These options which will be closed to the producer if the crop is placed under the board. He will have to assume the cost of storage, interest on borrowing, demurrage charges, charges in respect of the operation of the Wheat Board and so on. In addition, the board does not have any merchandising facilities or the personnel to move a sophisticated crop like rapeseed.

It has been mentioned previously this afternoon that the Wheat Board is heavily bogged down with regard to selling the grains for which it is now responsible. I believe we would be making another mistake by bringing rye, flaxseed and rapeseed under a Wheat Board that is already loaded with responsibility. No one really needs Canadian rapeseed. Edible oil and meal producers in Canada supply only a minute part of the world's needs. Other oils could easily fill the gap. Only through tough bargaining, good promotion, knowledgeable merchandising and open markets can we maintain and expand Canada's position in the oil seed market. The mere threat of having this crop controlled by the Wheat Board has created uncertainty in our export markets. Total inclusion would leave the crop stranded in elevator storage and there would be a further deficit to be borne by the federal treasury.

As I mentioned before, I wonder why this legislation has been introduced. If it was introduced in order to sound out public concern on the issue, then it was certainly successful. I believe, however, that the same reaction could have been brought about by a lot less drastic method. The minister responsible for the Wheat Board, in effect, has asked that Parliament pass the amendment and has given the assurance that the question—and I quote—"has been under study and consideration, both by farm organizations and by a group under my direction for some time, but certainly there is no imminent inclusion in this regard." Then, he added the surprising afterthought that the rapeseed market has, in fact, been working rather well in its existing shape. Since Canada's rye crop is comparatively small and unimportant, and since flaxseed appears to have caused little concern under the present marketing system, it must be presumed that the whole issue revolves around rapeseed which has been of increasing interest to prairie farmers over the past few years. It promises to be an even more important crop in the future. When you consider the results that would flow from the possible sale of 500 million bushels of rapeseed, you can certainly see that this is well borne out.

• (4:50 p.m.)

One thing which I would like to stress at this point is that there is a wide spectrum of opinions on the whole matter of extending board controls. Since this is the case, it would appear to be a dangerous move to approve the amendment to the Canadian Wheat Board Act as it now stands. Since there is such a valid controversy over the extension of the powers of the Wheat Board, I suggest to the minister that he withdraw this amendment until such time as a plebiscite of rapeseed producers is held to find out whether they want to have their grain included under the Wheat Board. If this is the case, then the idea of including this legislation under the Wheat Board is a valid and practical solution.

I would, once again, like to stress the importance of the futures market in the distribution of rapeseed. This is of great importance when we talk about the inclusion of the three crops under the Wheat Board. I would like to quote from a letter from James Richardson and Sons Limited, one of the foremost exporting firms in Canada. It reads:

> . . . that the futures market has been one of the most important factors in the development and fantastic growth of our rapeseed production. Until trading in rapeseed futures was instituted, many years ago the producer had little or no knowledge of what the crop was worth. In the last several years of progressively greater production the producer has been able to market his crop at generally very good prices providing him with much needed cash when other grains were depressed and generally in a mess. To the best of our knowledge, the Rapeseed Association of Canada, all the provincial and rapeseed associations representing producers, and all crushers in western Canada are against the Wheat Board taking over the marketing of this increasingly acceptable oilseed; in addition, Japanese exporters and crushers —our most important market—are emphatically opposed and while we are sure that these facts are known to Mr. Lang, why he should include it in the amendment is beyond our comprehension.

In summing up I should like to say that some changes to the Wheat Board Act are acceptable. I am thinking now in terms of protein grading and, to a lesser extent, the noncumulative quota that is also being introduced by the minister. But I think, in light of the fact that the government's intention is to introduce legislation to put rapeseed, flax and rye under the Wheat Board, we should either buy the whole package or none at all. I will not be able to support this kind of legislation. I hope the minister will see fit to withdraw the latter part of the legislation and possibly let us deal with it at some future time when we are sure what the industry really needs.

Mr. R. N. Thompson (Red Deer): In view of the fact that we are very close to five o'clock, I wonder if it might be agreeable to you, Mr. Speaker, that we call it five o'clock and continue afterwards.

The Acting Speaker (Mr. Richard): Is it the wish of the House that we call it five o'clock?

Some hon. Members: No.

Mr. Thompson: I really do not mind speaking two times on this bill. In fact, it gives me a second opportunity to catch my wind because I think this bill is not only one of the most unnecessary pieces of legislation as it relates to the growers of what we classify as edible oil seeds, but it is one which has caused great concern to the western farmer. Furthermore, I regard this legislation as potentially dangerous to the growing segment of the agricultural industry producing edible oil seeds, particularly in the west. I must express my protest against this type of bill, although the part of the bill which relates to routine amendments to the Wheat Board Act is acceptable. I would go along with the previous speaker in supporting those parts of the bill.

However, that part of the bill which would place rapeseed, flax and rye under the Wheat Board auspices is completely undesirable. I fail to understand why the

minister responsible for this piece of legislation should have introduced the related amendments which are before the House now. It is interesting to note that since this bill was introduced, the minister responsible for the Wheat Board has clearly said that the present marketing systems for these grains are not to be included under the Wheat Board now. To quote him specifically, he said:

...if it should be deemed desirable at a future date.

This is what he said outside the House in answer to the questioning of the press. I fail to understand why he has been motivated to include these amendments if he does not consider it necessary at this time to include these grains under the Wheat Board. It has been indicated that a number of farm organizations have been asking for legislation which would bring these particular grains under the Wheat Board, but I fail to hear this kind of request from the producers themselves. In fact, the other day the president of the Palliser Wheat Growers Association said something far different from what the minister said to justify his action. He said on April 25, in Regina:

The Board's sales record in the last decade has not been good in a competitive world market. It's been a record of lost and declining sales in an increasing market—a history of costly storage and interest charges and unsold wheat amounting to hundreds of millions of dollars, while the Americans forged ahead in record breaking exports of wheat and in farm income.

Surely these facts are sufficient to question the Board's ability as a sales agency.

On the positive side, he said:

All efforts should be concentrated—

Referring to the government.

—on incorporating proper incentives and business management into the board to save the fast-drowning wheat industry, rather than attempt to pull the buoyant oilseed industry down with the drowning wheat.

The statement that farm organizations want flax and rape on the CWB does not necessarily reflect the desires of flax and rapeseed growers. Some of those in favour are obviously elevator companies who speak for the syndicate at the top and not for the average producer.

I can only agree, Mr. Speaker. May I call it five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North Centre (Mr. Knowles)—Public Service—Clyne Committee recommendation for withdrawal of right to bargain collectively from certain employees; the hon. member for Selkirk (Mr. Rowland)—Manpower—Measures to assist science and engineering graduates to obtain appropriate employment—Stimulation of research and development; the hon. member for Regina East (Mr. Burton)—Grain—Wheat—Addition of unused portion of Lift program funds to transitional payments.

[Mr. Thompson.]

• (5:00 p.m.)

[*Translation*]

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

[*English*]

PRIVATE MEMBERS' MOTIONS

NATIONAL CAPITAL REGION

SUGGESTED ESTABLISHMENT OF TRANSIT AUTHORITY

Mr. Lloyd Francis (Ottawa West) moved:

That, in the opinion of this House, the government should give consideration to the expediency of entering into discussion with the Governments of the Provinces of Ontario and Quebec on the terms under which a National Capital Region Transit Authority could be created and incorporated by federal charter bearing in mind (a) the inadequacy of public transportation facilities in the National Capital Region (b) the restriction by charter of transit services, both publicly and privately owned, to municipal boundaries (c) the need for long-term planning of an integrated system of rail rapid transit, bus and other means of urban transit (d) the crises developed by the unfair competition provided by public subsidies on behalf of private vehicles (e) the contribution by an efficient, low-cost public transportation system to the balanced economic and social development of the whole National Capital Region.

He said: Mr. Speaker, what I have to say will be brief. The last time this motion was presented there was an excellent debate in the House which can be found in the *Hansard* report of March 6, 1970, pages 4494 to 4504. At that point I indicated the reasons for the motion, what I hoped could be achieved, and argued that within the area which we hope will be designated, by an amendment to Article 16 of the Constitution of Canada, as the National Capital Region to include part of the province of Quebec and part of the province of Ontario, we could use the authority of the federal government, in co-operation with the provinces of Ontario and Quebec and of the municipalities affected, to develop a rational pattern of public transportation for a growing and important metropolitan area.

There have been a few developments since that time which I will just briefly set on the record. One is the announcement by the Minister of Transport (Mr. Jamieson) that Ottawa and Montreal are to be chosen as the first places in Canada for experimentation with the short take off and landing, the STOL, type of aircraft. This is a product in which Canada hopes to specialize, and which we hope we will develop for a world market. We hope there will be a demonstration between Ottawa and Montreal of the practical feasibility of this type of transportation between two large urban communities. Of course, if we can solve the problem of moving people between communities it is all the more important that we come to some rational means of solving the problem of the movement of people within a metropolitan area.

The second development to which I call attention is the decision of the government of Canada to create a more

important presence in the province of Quebec, and particularly in the city of Hull.

[*Translation*]

Mr. Speaker, I am sorry my colleague from Hull (Mr. Isabelle) is not here at this time, because the last time we discussed the problems of urban transit, he made a very interesting speech.

[*English*]

I am very pleased, however, to note the development, and I am sure all hon. members—

[*Translation*]

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

I should like the hon. member for Ottawa West to explain why the hon. member for Hull (Mr. Isabelle) is not present in the House, that the public might not get the impression the member for Hull is no longer interested in this matter. Would my hon. colleague therefore tell us why our colleague from Hull is not here right now?

Mr. Francis: Mr. Speaker, I particularly noted that what our colleague from Hull had said then was most interesting. At this time, he is representing Canada to the World Health Organization in Geneva, but I had no intention of leaving the impression that he did not have a good reason to be absent. On the contrary, Mr. Speaker, it is well known that he has been interested in that matter for a long time.

[*English*]

The third reason I think we have to consider this matter is our increasing concern with pollution. It is absolutely imperative that in one of the larger cities of North America a lead be given to finding other means of bringing large numbers of people to the central work area than by the private automobile. The private automobile clearly is an inefficient and costly means of moving people. But in addition to that, it contributes through the oxides which go into the air compounds which come from lead fuels, all of it very toxic material which creates very serious problems of pollution. It is clear that the answer to this has to be found in other means of transportation. A great deal of research has to be done. I note that my colleagues who spoke on the previous occasion mentioned the work of the Canadian Transport Commission and the interest that the chairman of that commission is showing in conducting research in this area.

With these three brief comments on the development of the STOL aircraft program, the increased federal presence across the river creating even greater hazards of movement between the two cities, and our increasing concern about air pollution in this region, I think the motion I have the honour of presenting to the House, and which was debated in March, 1970, is even more important today than it was then. I hope hon. members will be able to support it.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, since the hon. member has mentioned the STOL aircraft, I want to take the opportunity of putting on the record a question that for the last couple of days I have been wishing to ask of the Minister of Transport (Mr. Jamieson). I do not expect an answer now. I just want the minister to see the question so that he will know it is coming one of these days when he is in the House.

I want to know if there was full research done by the Department of Transport in connection with this whole STOL operation. I would like to know what percentage of the population will benefit from it, what percentage of the population will be the potential users of this projected service between Ottawa and Montreal. I also want to know if there are good results from it will it bring about reduced fares for other members of the travelling public, those who use the conventional airplanes.

As a final question, I am just wondering if the minister can project the future for service between Toronto and Montreal. Will there be similar services provided in Toronto and Montreal? These are my only comments with respect to this motion.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, from the brevity of the speeches thus far, I get the impression that there may be a disposition to let this motion come to a vote. I hope that is the case. I also hope that if this does take place it will be a pattern to be followed on other occasions.

I would like to indicate my general support for what the hon. member for Ottawa West (Mr. Francis) is asking through this motion. Even though his remarks were brief, I think he made a good case. This is the national capital. I think it is inportant that we solve the problems of transportation and pollution in this area, otherwise what ought to be one of the finest and most beautiful urban areas in Canada could be spoiled. Let us keep it a place of which we can be proud as a nation from coast to coast. We will not do that if we let problems such as congestion, a confusion of transportation and pollution overtake us. For the sake of this area itself, therefore, as the capital of Canada I think that this kind of problem should be given the serious consideration suggested by the hon. member in his motion.

• (5:10 p.m.)

I want also to support the argument that he used to the effect that this is a problem confronting all our cities. We must start somewhere and I think there is no better place than right here. If we can find solutions to these problems in this urban area, then perchance we can apply some of those solutions to the same problems in other urban areas in Canada.

I commend the hon. member for bringing this motion before us. I commend him for the brevity of his remarks. We are all following suit and I hope this means that the motion will be passed and that the request contained therein will be placed on the desk of the government.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, it is a great joy for me to rise again this year to support this motion of my friend, the hon. member for Ottawa West (Mr. Francis). I entirely agree with the remarks of

the hon. member for Winnipeg North Centre (Mr. Knowles) that we should not kill this motion by praising it too much or too long.

Since the motion was presented last year, the problem of urban transportation in this area has worsened. The public concern and awareness of this problem has grown and developed. I thought it might be of interest to the House to know that one survey has been conducted in Nepean township, which I represent, which lies to the south and west of Ottawa.

Mr. Knowles (Winnipeg North Centre): A very important area.

Mr. Blair: A very important area because some very distinguished members of this House live there. This township has literally no public transportation. There are more than 60,000 people living there and the need for proper public transport is great, if only to satisfy the convenience of the residents and their economy. There are other reasons, however, which have been mentioned by my hon. friend from Ottawa West. There is the problem of responsible planning and the problem of pollution which make the development of an integrated transport system in the capital area of a very high priority to all of us.

Last May and June the young people who were members of my political association, on their own initiative, undertook the task of calling on every home in Nepean township to discuss with residents the problem of pollution which exists in our society. One of the problems they discussed with the citizens, which was widely remarked upon in the amazing number of replies I got from residents in the township, was that of urban public transport. The point that I can make now with absolute certainty as a result of this survey is that there is great public support, great public demand and a real desire for the development of proper urban transport facilities in the total capital area, and particularly in that part which I represent.

One of the people who replied to the survey stated that the automobile was a 3,400 pound piece of tin which carries one person 15 miles per gallon. The conclusion reached by this survey was that we must deglamourize the private automobile and look for alternatives. The only alternative, of course, is the provision of a proper system of urban transport. It is not sufficient to make arbitrary rules against the automobile and its use unless at the same time proper facilities are provided for public transport and an educational campaign is undertaken to ensure that the public will use a new transport system. The encouraging thing about this survey is that the people understand the problem and are prepared not only to support urban public transport in this area but to make the necessary adjustments in their life style and habits to make that public transport successful.

Much more could be said, Mr. Speaker, but I share the desire of all hon. members that this matter be brought to a vote. I think it might be of assistance to hon. members who represent areas outside the capital region if I referred to the brief submitted by the Canadian Federation of Mayors and Municipalities to the government of Canada on April 26, 1971. This brief dealt with a number of municipal and planning problems and a substantial section of it was devoted to the planning and development of transportation. A striking conclusion advanced in the brief may be of interest to hon. members, and I shall quote from page 9:

> As a positive gesture toward dealing with Canada's urban transportation problems we recommend that the federal government express its commitment to share in the funding with the provincial and local governments concerned of a number of experimental transportation projects involving a variety of sizes of communities. We suggest that the federal government agree to having the choice of the location of the experiments and the cost sharing arrangements decided by the participants at the forthcoming tri-level conference.
>
> Such a project would be of immeasurable benefit to all communities with transportation problems since it would provide tangible and practical results in a context assuring that all aspects of transportation planning in these experimental cases would be reported nationally. Let us capitalize on our problems by dealing with them experimentally rather than engage in debate over the validity of untried alternatives.

That is the end of the quotation, Mr. Speaker. I can think of no better place in the whole of Canada for a proper experiment to be undertaken in the development of urban transport than in the national capital region. It is for this reason also that I urge hon. members to support the motion.

• (5:20 p.m.)

Mr. Knowles (Winnipeg North Centre): Carried.

[*Translation*]

Mr. Gaston Clermont (Gatineau): Mr. Speaker, I do not wish to delay the passing of the measure should the majority of members so desire. I intend to make a few comments only.

The hon. member who proposed this motion is no doubt aware of the fact that Quebec provincial authorities have appointed a Commission last fall to inquire into the public transportation problem in the Outaouais regional community. I hope that the federal government will decide to consult Quebec and Ontario authorities on the studies which have been completed or which are underway. If I am not mistaken, a study of public transportation on the Quebec side of the Ottawa River had already been conducted by the Dorion Commission.

There is no doubt in my mind that a reform of the public transportation scheme in the National Capital area is required. Hon. members know that the National Capital area does not include only the municipalities on the Ontario side but also those on the Quebec side; it also includes part of the constituency which I have the pleasure to represent in the House. Should the federal government decide to finance out of public funds a survey of public transportation in the National Capital area, I am sure that work already performed will be taken into consideration.

As far as I am concerned, I do not see why I should not support the motion from my hon. colleague from Ottawa West.

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Motion agreed to.

Some hon. Members: Six o'clock.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, could we not move to something else, carry it, and do a really good day's work? Could we not take Motion No. 13 on page 27 of the order paper?

Some hon. Members: Six o'clock.

The Acting Speaker (Mr. Richard): Do hon. members agree to call it six o'clock?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Richard): I have not much to say. I have been taken by surprise. Having listened to a debate on transportation, I am still of the same opinion as I was the other day. If you want to enjoy life and satisfactory transportation, go on foot.

At 5.25 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DETERMINATION OF PAYMENT FOR WHEAT—EXTENSION OF APPLICATION TO FLAXSEED, RYE AND RAPESEED

The House resumed consideration of the motion of Mr. Lang that Bill C-238, to amend the Canadian Wheat Board Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, it would seem to me that if the minister responsible for the Wheat Board really meant it when he said that rapeseed, flaxseed and rye would only be brought under the jurisdiction of the Board when it was deemed desirable at some future date, why he would not have omitted this provision from the bill altogether. By making the statement he did, he admitted it was not advisable at this time, unless of course he was trying to placate those who are opposing this part of the bill. It disturbs me that this approach should be taken, seeking authority for the government in its own time to implement what this bill would allow without even consulting the producers of these grains on whether they wished such a course to be followed.

There are aspects of the bill one can readily support. The legislation takes account of changes in government policies which have already been put into effect. It updates the whole procedure of grading grain, linking grades with protein content, and it provides for different qualities of grain within specific grades and for varying rates of payment. However, since amendments of this type are coupled with the much more doubtful proposal to which I referred earlier, we find ourselves in a very difficult position. We are, in effect, being asked to support propositions which we agree are reasonable at the same time as we are asked to support other policies with which we cannot agree. It is this omnibus approach to legislation on completely different aspects of particular subject matters that makes it very difficult for us to support what is of a positive nature and at the same time constructively to oppose that with which we cannot agree.

• (8:10 p.m.)

If rye, rapeseed and flaxseed compared in any way to the wheat situation, I think the minister would have some justification for bringing in this legislation. But these three grains are in an entirely different category. When we talk about flaxseed and rapeseed we are talking about products of the edible oils industry. From these grains most edible oils are obtained, at least as far as Canadian agricultural production is concerned.

Even though our export sales of wheat in world markets have declined in recent years, Canada still retains a substantial portion of the world wheat export market, perhaps as much as 20 per cent of that market this year. The situation is entirely different for edible oils; we have only a very small fraction of the world market. In fact, total production of edible oil seeds in Canada represents only 1.8 per cent of world markets. Approximately half of the edible oil seeds produced in Canada are consumed in the home market, and thus rapeseed and flaxseed represent only 0.8 per cent of world exports. In other words, we have only a minute fraction of the total world market for edible oils.

We have learned from our most substantial market, Japan, that the Japanese are not interested in dealing with a government agency like the Wheat Board with regard to rapeseed exports. They have found it necessary as purchasers of Canadian edible oil seeds to ask for the same facilities as the grain exchange offers, and this they will not have if these grains are brought under the control of the Wheat Board. We are told in no uncertain terms by some of the major export consumers of Canadian edible oil that if they have to contend with the type of marketing that would of necessity be that which the Wheat Board uses when it sells wheat, they will go elsewhere for their supply of edible oil seeds.

I should like to ask who is kidding whom. It seems to me that if the government really wanted to help this part of the agricultural industry, it would seek ways and

means of protecting the edible oils industry from imports of U.S. soybeans into Canada by seeking to bring about a reciprocal tariff arrangement. The United States ship a great deal of soybeans into Canada and, after all, soybeans are but another source of edible oils. These soybeans come into Canada free of duty.

On the other hand, when our edible oil seeds, which basically are derived from rapeseed and flaxseed, are shipped into the United States they are subject to heavy tariff restrictions imposed by the United States government. If the Canadian government had more concern about working out a reciprocal agreement between our two countries in regard to this type of agricultural product, I believe the industry would be helped much more positively than it is being helped by the negative approach taken in this legislation.

Why not correct this inequitable situation? There is no question that if some arrangement were worked out on a more satisfactory basis, probably all the edible oil seeds that Canada could produce would be consumed in the U.S. market even for a long time to come. But as the situation rests today, we cannot do this. Some may say—indeed, the minister himself might make this claim—that it is impossible to make this arrangement with the United States government. I might point out that Canada is a huge importer of United States agricultural produce and it seems to me we have a strong bargaining position when it comes to making the situation regarding the export of our edible oil seed to the United States more equitable than it is at the present time.

I believe the rapeseed associations—I am speaking about rapeseed only at this point—have done an excellent job of marketing. The western farmer certainly is not dissatisfied with the present situation. Just as a satisfactory price is being received both for cash sales and for rapeseed sold on the futures market, the government comes in with its big club and threatens to take the rapeseed industry over by making a marketing arrangement that the farmers do not ask for and do not want.

I would remind the minister that rapeseed and flaxseed have become a very important cash crop in the diversification of western agriculture. At the present time Canadian wheat production is much greater than wheat sales on the export market. Therefore the Department of Agriculture is advising farmers to diversify. Rapeseed and flaxseed have been two viable crops in this diversification, as evidenced by the fact that many farmers are selling their rapeseed and flaxseed directly on the market for the cash price of the day, giving them the cash income that they do not get for the sale of their wheat marketed by the Wheat Board, part of the payment for which is made in the future. This is why it seems to me that this particular aspect of the bill is not only unnecessary but potentially dangerous and is something that the producer does not want.

I am concerned about the numerous statements that are being made both by the Minister of Agriculture (Mr. Olson) and the minister responsible for the Wheat Board in regard to over-all government policy. On April 27 the Minister of Agriculture spoke to the Canada Grains Council in Winnipeg. Without attempting to quote him at any length, I believe it is fair to say that the gist of what the minister said was that it is the primary objective of the government in Ottawa, where the central decision will be made, to take over control of the agricultural industry on the basis that it is necessary to have centralized control in order to have a more effective way of saying what shall be grown and how it shall be marketed.

To this extent it seems to me it is the apparent policy of this government to put itself in a position where it will be able to tell the farmers of Canada what to grow, when to grow it and how it shall be merchandised. It is very obvious that the government feels this type of central decision-making is the answer to the agricultural problems that exist in Canada. If this is the policy of the government, as reflected in the different pieces of legislation regarding the agricultural industry before the House at the present time, then I think the future of agriculture in Canada is pretty dim. If this is the intent and the policy of the government, it disturbs me no end; and I believe that the placing of rapeseed, flaxseed and rye under the control of the Wheat Board is an indication that this is the policy of the government.

Therefore, Mr. Speaker, I cannot give my support to Bill C-238. If I represent the voice of the farmers of my constituency who are producing a great volume of rapeseed at the present time, then I have to say no, the farmers do not want this bill, they do not need it. Further, I am afraid of what might be the end result if the government is authorized at this time to implement the provisions of this bill.

I oppose the bill on the basis that these three grains—rapeseed, flaxseed and rye—are brought within the marketing provisions of the Canadian Wheat Board and I oppose it on that aspect alone. This bill would bring these three grains under the marketing scope of the Wheat Board. I hope, Mr. Speaker, that the minister will listen to what the industry has to say and will allow amendments to be made to the bill when it reaches committee. Appropriate amendments would delete this aspect of the bill and thus we could take a more positive attitude, giving the bill the support it truly needs from this House of Commons.

• (8:20 p.m.)

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, on Friday last we were treated to an exchange in the House of Commons between the Prime Minister (Mr. Trudeau) and the opposition about getting work done and the important bills that are not being passed. I suggest to the minister in charge of the Wheat Board that this is a bill one part of which at least could well have been left in abeyance. I refer to the part concerning rye, flaxseed and rapeseed. This provision is not necessary and should not be passed until much more consultation is carried out with the trade, the farmers and the overseas buyers. This policy has created a great deal of confusion, particularly in the rapeseed market and forward sales up to November have dropped drastically. Until the situation is made clear exporters are reluctant to put themselves in a risk

position: they do not know what will happen to rapeseed or what the situation will be this fall.

This is the only part of the bill that is controversial, and it could well have been left in abeyance. Had that been done, we might have passed this small bill without too much trouble. With regard to the announcement of the possibility of putting rye, flaxseed and rapeseed under the jurisdiction of the Wheat Board I refer to James Richardson and Sons' Grain Letter No. 10 dated April 22, 1971. It reads in part:

—a bombshell hit the trade this week when the federal minitser responsible for the Wheat Board the honourable Otto Lang announced in the House of Commons that he would introduce an amendment to the Wheat Board Act which would give the board jurisdiction over the sale of flaxseed, rye and rapeseed. Later on, the minister assured the grains industry that any consideration of changing the system of marketing rapeseed would be subject to thorough discussion with all parties concerned before any action was taken, and that the government at this time has made no decision to change the present marketing system. This, in our opinion, is far from reassuring and of little consolation to the industry as, once this amendment is passed and on the statute books, either this government, or any succeeding government, can implement it when and if they choose by Order in Council and without reference to Parliament. If Mr. Lang had considered the damage this publicity has already caused our image in the international markets for oilseeds, he would have consulted the industry before introducing this measure.

Speaking specifically of rapeseed, we believe—and the Winnipeg Grain Exchange have issued a press release to this effect—that the futures market has been one of the most important factors in the development and fantastic growth of our rapeseed production. Until trading in rapeseed futures was instituted, many years ago the producer had little or no knowledge of what the crop was worth. In the last several years of progressively greater production the producer has been able to market his crop at generally very good prices providing him with much needed cash when other grains were depressed and generally in a mess. To the best of our knowledge, the Rapeseed Association of Canada, all the provincial rapeseed associations representing producers, and all crushers in western Canada are against the Wheat Board taking over the marketing of this increasingly acceptable oilseed; in addition, Japanese exporters and crushers—our most important market—are emphatically opposed and while we are sure that these facts are known to Mr. Lang, why he should include it in the amendment is beyond our comprehension.

The same story may well apply to flaxseed which has been marketed through the open market for as long as this writer can remember except for a brief period after the Second World War when the Wheat Board took it over with dubious results. In all these years the crop has been marketed very efficiently through the open market, with cash returns to farmers generally very satisfactory, subject to the supply and demand picture as all markets ultimately are. The rye crop is a small one and unimportant in the over-all picture with much of it disappearing on the farms and we are sure that nothing would be gained by putting this crop under the control of the Wheat Board.

The reaction to the announcement to bring rye, flaxseed and rapeseed under the Wheat Board at this time has not been good and it prompted the minister to issue a press release dated May 11, 1971, which reads in part as follows:

"Because cash advances will not be available on rapeseed, flaxseed and rye in the near future, the government does not plan any action to bring the marketing of these grains under control of the Canadian Wheat Board at this time," the honourable Otto Lang, minister responsible for the Canadian Wheat Board, said today.

If the minister did not intend to bring these under the Wheat Board at this time, what was his purpose in introducing this disconcerting amendment which has caused such consternation in all quarters? The minister's press release continued, in the last paragraph:

"But I repeat the government has no immediate plan to change the marketing system for these grains. And I assure producers that before any such change is contemplated there will be thorough discussions with everyone involved," Mr. Lang said.

Perhaps we should look at what the Wheat Board has been able to do in the past few months, keeping in mind what might happen if this amendment is passed and eventually put into effect. There have been predictions by the minister that there will be record grain sales this year amounting to 700 million bushels, of which he has estimated 500 million bushels could be wheat. This seems to be a little optimistic. The grain export figure to April 24 was estimated at 423 million bushels, or an average of 12 million bushels per week. With 16 weeks to go in the crop year, based on the average to date our grain exports would total around 600 million bushels of which approximately 400 million bushels would be wheat. At the end of the 1970-71 crop year there would still be an estimated 750 million bushels in storage.

We had a very late shipping season on the Great Lakes. An estimated 25 million bushels to 30 million bushels less than what would normally have been shipped have been bandied about.

Mr. Lang: It is going to be a record.

Mr. Ritchie: There is no evidence yet that there will be record grain shipments. With the Lift program, which provides 10 million acres more of summerfallow than we have ever had in western Canada, we can expect to produce 10 to 20 bushels per acre more than stubble would have produced. This means we will be faced with 200 million bushels more than we might have expected without the Lift program. In many ways the minister has pushed the surplus ahead one year by this program.

Let us consider what the Wheat Board is doing. It has fallen on bad times. In the crop years 1967-68 and 1968-69 the board's financial position deteriorated substantially. In the 1968-69 crop year there was a $40 million deficit. The policy of holding grain cost $102 million, with $79 million being paid by the taxpayer and the balance being charged to the farmer. This came about as a result of the unfortunate policy forced on the Wheat Board of holding wheat in order to comply with the International Grains Arrangement at a time when our competitors did not comply. This means that the board, which originally had been in an independent position, is controlled not by the producers but by the government, since the government has had to stand behind it.

• (8:30 p.m.)

It is to be hoped that the autonomy of the Wheat Board will be restored if and when it finds itself in a better position. One might ask what the future of the Wheat Board is to be in respect of the relationship

between grains, particularly rapeseed and wheat. There has been a prolonged dry season in Oklahoma and Texas. This might mean an increase in wheat sales. The United States, however, has been selling as much as 100 million bushels of wheat to Japan, compared with 30 million bushels sold by Canada and less than 30 million bushels sold by Australia, which by many is not considered to be a large contender.

Then we have the China problem. We have been selling wheat to China. Our recognition of Red China in a diplomatic way should increase our sales there, but we must remember that the United States and Peking have been warming up and it would seem quite likely that the United States, which has embarked upon a strong agricultural drive in respect of exports with a goal as high as $10 billion, could seriously intrude into this market and some of the sales to China might be taken away from us.

Then in respect of the Soviet Union we are talking about a country which has had a record crop of wheat estimated at 98 million tons, which is an increase of 600 million bushels in the past crop year. Therefore the Soviet Union, to whom we have sold wheat, will be prepared to sell wheat in western Europe, particularly in West Germany, Britain and France. It would seem unlikely that we will be selling much wheat to the Soviet Union, which was one of our main markets in the 1960s. Even the sales of flour to Cuba may not continue.

Rye, flaxseed and rapeseed should not be included in this legislation until all interested parties have been heard. So far rapeseed has been moving very well, with an estimated record crop of 62 million bushels as of August 1. Forty-seven million bushels have been delivered up to the present, which represents about 75 per cent. In respect of flaxseed 46 per cent has been delivered out of a record crop for last year. Sales this year have not been very good. In respect of rye, there was a small crop which is hardly significant.

In respect of flour milling, the report of the grain marketing review committee submitted to the Canadian Wheat Board on January 12, 1971, stresses the difficulties of the flour milling industry which has been a voice in the wilderness. The report met with a deaf ear from the federal government and the Wheat Board. The industry now feels that the board will take some action on its own committee's recommendations, which were as follows:

> It is regrettable that the Canadian flour milling industry has been at a serious disadvantage in competing for foreign flour markets quite apart from subsidies granted by other exporting countries. This is the practical result of the present rigid rules governing purchases by Canadian mills for export.
>
> Existing rules regarding wheat purchases should be amended so that flour millers would be able to obtain wheat for later flour export at the board's export prices. Millers should also be eligible for discounts, bonuses, deferred pricing, credit, or opportunities to sell in local currencies when any of these devices are being used in connection with wheat sales, and when flour sales would probably be additional. Millers should have the opportunity to take positions in the wheat markets even though no actual flour sales have been made, provided the position taken in wheat is turned into actual exportation of flour within a reasonable time.

[Mr. Ritchie.]

Mr. Speaker, this is an indication that we must have action and that the Wheat Board has its hands full, without having forced on it the added problem of how to deal with rye, flaxseed and rapeseed. What about the situation in so far as marketing of rapeseed is concerned? In an article entitled "More control on prairie grains?" the Winnipeg *Tribune* of May 13 has this to say:

> Ottawa is considering whether to remove rapeseed, flaxseed and rye from the open market to give the Canadian Wheat Board a virtual monopoly on prairie grains. The board now has control of wheat, oats and barley in the Prairies. All these grains must be marketed through the board.

It continues:

> Oil seeds, however, are in a different league than the grains now controlled by the Wheat Board. It's a more complex and volatile market. Rapeseed represents only 2 per cent of the oilseed production in the world. It is in competition with many substitutes and requires quicker response to the market. It is entirely different than wheat, which has static markets.

Rapeseed oil is in competition with animal fats, marine oils, soybean oil, groundnuts and with many tropical oils such as coconut oil, and so on. In respect of sales, the record of rapeseed has been quite good. Only three years ago sales were in the neighbourhood of 17 million bushels. Last year the figure was 35 million bushels. It is estimated that this year 70 million bushels will be produced. So far this product has been moving at a very good rate and has provided much needed cash on the farms when other grains have not moved very well. It is expected that this year 40 million bushels will be exported. Much of the credit for this phenomenon, I believe, belongs to the private grain trade and the rapeseed producers themselves who have developed the market. It is not clear how the Canadian Wheat Board will sell rapeseed, whether the Winnipeg Grain Exchange futures will be continued or whether they will use other futures markets around the world, possibly the Chicago market. The rapeseed market follows the soybean market very closely and a movement in the soybean market is reflected almost simultaneously in the rapeseed market.

From the farmer's point of view, the marketing of rapeseed, rye and flaxseed under the Canadian Wheat Board has been a bone of contention. It has not been all black and white. In my experience most of the complaint seems to involve farmers being caught in the quota system because the capacity of the elevators and the transportation system to move rapeseed quickly has been reduced due to too much grain, particularly wheat, being in the system. It has happened that the quota given a producer in one area is different from that given in another area. This, however, is mainly due to the defects in the transportation system and not in the selling system to which rapeseed has been subjected.

• (8:40 p.m.)

The following possibilities seem to be open for selling rapeseed. One is to continue an open market under the Winnipeg Grain Exchange. Another is to close the market and to have the Wheat Board take over all sales. The Wheat Board would then be charged with the duty of selling rapeseed and it would have to develop its own

sales force. It seems doubtful that it could use a futures market. In any case, before anything is decided it would be wise to know what sort of selling mechanism the Wheat Board will use to dispose of rye, flaxseed and rapeseed. There is another system which would involve pooling, whereby the Wheat Board would allow selling on the open market and would give an average price to the farmer.

This is a very important bill dealing with these three grains, but particularly with regard to rapeseed. It seems most important that farmers, especially rapeseed producers, be heard and that our exporters be heard. There is evidence that the Japanese have seriously questioned our ability to sell in this way and have indicated that they view it with considerable alarm. In any case, the action on the market in the last few weeks since the minister made his announcement has not been favourable to the trade, and unless a good system is evolved we may well lose sales and some of the advantages we have gained over the years in respect of this product.

Therefore, before this amendment becomes law—once it is implemented there will be no further opportunity for consultation with the rapeseed producers or the trade—I think it is most important that widescale hearings be held. I hope an amendment will be introduced in the committee whereby this portion of Bill C-238 will be deleted until further study is carried out and it is ascertained that the placing of these three grains under the Wheat Board will be advantageous to the producers.

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I should like to say, first, that I am sure many of us paid great attention to the letter from James Richardson and Sons which was read by the hon. member for Dauphin (Mr. Ritchie). When I think of James Richardson and Sons criticizing the placing of rape, flax and rye under the jurisdiction of the Canadian Wheat Board, I wonder whether we should not be concerned about who is going to be raped by whom in this regard.

It seems to me it is only proper that we consider the people and organizations which have expressed opinions regarding placing these grains under the Canadian Wheat Board. I would quote the most recent article in the pool broadcast of April 28 suggesting that "it has been a long-stated request by farm organizations for many years, and while the legislation itself does not mean that automatically these grains will come under the Wheat Board, it is a necessary first step to allow this to happen." It continues:

> In the past we have been concerned about the marketing of these grains based only on the futures market, because this does not tend to lend stability to price or assure a continuity of supply to purchasers, and in discussions that we have had with importers of Canadian rapeseed in particular, namely the Japanese, they have requested that we bring more stability into the marketing of that grain and have urged us to adopt a system similar to that used for marketing wheat. So, I believe, that this step is a useful step in developing long-term markets for rapeseed.

It appears to me that whether or not we agree that rapeseed, flax and rye should come under the jurisdiction of the Canadian Wheat Board, this legislation spells out a permissive attitude by placing these grains under the jurisdiction of the Wheat Board. At the same time we have to find out whether there is any orderly marketing of grains of the kind we should expect in this country.

I believe that one of the concerns with which all of us here have been confronted in the last three years deals with the auctioning of grain at various auction marts across the country. Not long ago I wrote a letter to the Minister of Industry, Trade and Commerce (Mr. Pepin) asking whether he was aware that grain was being auctioned off at various auction marts across the country. I asked whether it was permissible under the Canadian Wheat Board's regulations to accept wheat or other grains as part or full payment for such items as were listed in a sales notice which I enclosed with my letter. The sales notice was from an area of western Canada which accepted grain in trade.

In reply the Minister of Industry, Trade and Commerce indicated that there was nothing illegal in the acceptance within the province of origin of wheat or other grains in full or part payment of goods sold. He said that the Canadian Wheat Board Act authorizes the Canadian Wheat Board to control prices for grain delivered by the producer to country elevators. In this context, other than for grain sales from country elevators there is no provincial or federal legislation controlling grain prices for sales within a province.

At that time thousands of bushels were moving from province to province, and thousands of bushels were being sold at fire-sale prices throughout western Canada because people had to sell their grain and obtain dollars in order to survive. They were compelled to do so. However, I am sure that most hon. members realize that this cannot be considered an orderly marketing of grain. This matter should be seriously considered if we are concerned about the producer receiving a fair return for his grain. We do not want to put him in the position of having to sell his grain at less than the cost of producing it, in order to buy a loaf of bread.

Some time later another situation came to my attention regarding an advertisement which appeared in a newspaper in western Canada. It read:

> Required immediately, 1,000,000 bu. No. 2 hard wheat. Will pay 17 cents cash per bu. Delivered to nearest elevator.

In reply to a question of mine in the House, the Minister of Agriculture (Mr. Olson) said he would appreciate my sending him a copy of the newspaper advertisement, which I did. I thought it was in order for the minister to ask for it at that time. In his reply he suggested that he had been in touch with the Wheat Board regarding the advertisement and wrote:

> —they advise me that they made a full investigation immediately it appeared. They state that in so far as they are concerned there is no evidence of any illegal activities involved in this offer.

I saw the wheat being delivered into storage in reply to this advertisement and I saw the hundreds of trucks heading for the Alberta border and going into Alberta with grain at fire-sale prices—grain which was being moved from province to province. At that time many

questions were asked in the House about the policing that was being carried out in order to discover whether grain was being moved illegally from Saskatchewan to Alberta. The reply which we received from the government was that they had investigated the situation and found that nothing illegal was happening in regard to the movement of grain. We knew differently.

• (8:50 p.m.)

That is why we now see provision being made for the orderly marketing of this type of grain in the legislation before us. It seems to me too many statements have been made in the House condemning the Wheat Board for its failure in the field of orderly marketing. In my humble opinion the board has not been given the right to go about the orderly marketing of grain in such a way that the producers in western Canada can receive a fair return on their investment.

In this connection, Mr. Speaker, it is ironic that I wrote a letter to the Minister of Agriculture just about two years ago, in May, 1969, on this subject. I believe it was on May 17 of that year and I think it will be of interest to hon. members if I quote the letter that I addressed to him. I wrote:

I have received many letters requesting the placing of feed grains, rye and flax under the jurisdiction of the Canadian Wheat Board.

I believe you will agree that this is a matter of serious concern, particularly in view of the fact that there appears to be an increase in the acreage of rye, flax and rape.

It would be appreciated if your department would give serious consideration to this developing situation, as the farmer is finding himself in a precarious position.

Thanking you for the consideration shown in the past.

Many hon. members have suggested in this debate that the sale of rapeseed and flaxseed should not necessarily be placed within the responsibility of the Wheat Board, but I point out that two years ago these grains were becoming a surplus on the market, to the extent that I wrote the government asking that it take action to bring about orderly marketing of these grains. On May 22, 1969, the Minister of Agriculture replied to my letter as follows:

I have your letter of May 21 pertaining to the placing of feed grains, rye and flax under the jurisdiction of the Canadian Wheat Board.

Fundamentally, the Canadian Wheat Board is a producers' marketing board, operating under federal legislation but overcoming the constitutional problem of jurisdiction by the enabling legislation passed by the provincial governments. The acts passed by Manitoba and Alberta cover only wheat, oats and barley. Thus it would not be possible for the Wheat Board to add the other grains to its coverage without legislative action by these provincial governments.

Even if the niceties of the legal side were satisfied, there is still the question of how much better off the producers would be if these other grains were brought under the jurisdiction of the board. There is evidence that less of each would be sold, and I understand that the board believes such might well be the case. Indeed I am sure that you have heard the increasing clamour to have even oats and barley regulations relaxed in order to move more of these grains. Marketing experts believe that while a pooling operation such as the Wheat Board's works well for a commodity like wheat, it is not suitable to Canadian oilseed crops because of their vulnerability to the competition from other oil seed crops produced in abundance throughout the world. The cost of marketing specialty crop grains through the Wheat Board could lower the returns to the producer.

Many western farmers insist on having access to a cash crop market, and count on their sales of rye, flaxseed and rapeseed for cash income when the regulated market for wheat, oats and barley is closed to them. With all grains under the Board a situation could easily arise where producers would not be able to make any deliveries at all. You can easily guess what the result would be.

It is unfortunate that these grains have to use the same transporting, handling and sorting facilities as do the Board grains. Because this is the case the Wheat Board must regulate their movement through the system by means of delivery quotas, arbitrary stock levels, etc. This, to my mind, provides the major basis for producers in their demands that the board merchandise these grains for them. It is a problem that I would hope the Canada Grains Council will be able to tackle and solve, soon.

These are some of my thoughts on this matter. I try to review them periodically so as to not to become stuck with outmoded ideas, but so far I am not at all enamoured with this notion that rye, flaxseed and rapeseed marketing belongs in the Wheat Board orbit.

[Mr. Skoberg.]

Mr. McIntosh: I rise on a point of order, Mr. Speaker. As the hon. member for Moose Jaw (Mr. Skoberg) has quoted from these two letters, I wonder if he would now table them.

Mr. Speaker: Our Standing Orders do not provide for the tabling of documents by private members.

Mr. Skoberg: Mr. Speaker, if there were unanimous consent I would be only too pleased to table them. In any event, hon. members can read them in *Hansard* tomorrow. It appears that the Minister of Agriculture has moved from the position he adopted two years ago and has not remained stuck with an outmoded idea. But it is strange that two years ago when these grains were in a surplus position he did not have great concern for the situation. I think the minister in charge of the Wheat Board has an obligation to explain this to the House in his closing statement. Perhaps he will tell us if the Minister of Agriculture was somewhat outmoded two years ago.

The fact remains that there is a feeling throughout the country that these grains should not have to come under the jurisdiction of the Canadian Wheat Board. I hope the minister in charge of the board realizes he must consult directly with the people involved in the marketing and producing of these grains, to see if they can make a living as entrepreneurs in the present laissez faire system surrounding the marketing of them.

I would be highly suspicious reading anything from James Richardson and Sons that would indicate they were very excited about futures so far as the three grains in question are concerned. As the hon. member for Saskatoon- Biggar (Mr. Gleave) said earlier today, it will be interesting to see at the end of the crop year how the futures market has operated in the selling of these grains and whether producers who sold in the futures market were, in effect, raped by that type of trading. As the National Farmers Union and the pools have indicated, time will provide the answer.

A year ago, Mr. Speaker, I had the opportunity to tour Central and East Africa and in Lusaka met the President

of Zambia and some of his ministers, in particular his Minister of Agriculture. I asked him what he thought about the prospects for agricultural exports from Canada. It was disheartening to find out that we did not have any exchange of missions with Zambia, and we still do not have such an exchange. The Zambian Minister of Agriculture said his country would be only too pleased to do business with Canada. We are recognized in that part of the world—as a matter of fact, throughout the Commonwealth—as one of the most trustworthy partners in the Commonwealth. But, Mr. Speaker, we do nothing to improve our export of grains to those countries. There is a way to bring about a proper exchange of missions but to date we have done nothing about it.

• (9:00 p.m.)

In the Montreal *Star* of July 20, 1970, there was an excellent article which spelled out where we stand in relation to United States markets. In part it reads:

> An example frequently used is the United States. With 20 times the population of Canada and thus many more mouths to feed, that country exported 75 per cent more wheat than Canada in 1968.
>
> The U.S. has climbed from a pre-war period of practically no wheat exports to become the largest exporter in the world. The 1968 figures show the U.S. cornered 33.2 per cent of the world market while Canada had 19 per cent.
>
> Wheat Board officials argue that this does not mean the Americans are better wheat salesmen. A large percentage of U.S. exports are made under aid programs and are government subsidized to varying degrees. The U.S. grain trade is also allowed to buy on the domestic market on an almost daily basis.

Further on it reads:

> The board says its reason for using exporting firms in the sale of wheat is because the firms are well established in the business and have contacts throughout the world. The private traders also have control of some shipping and because they are competitive the cost per bushel is small.

I think this is a clear indication that Canada has fallen down on concessional sales. In the publication "North American Agriculture in the New World," put out by the Canadian American committee in March, 1970, it is spelled out that Canada lost world markets by not entering into concessional sales. The United States immediately moved into concessional sales and, of course, commercial sales followed. This is a complete break from the type of salesmanship that the Canadian Wheat Board could have entered into if the government had allowed more concessional sales. It would follow that we could have picked up more commercial sales, but we did not.

About a year ago Canada finally moved into more concessional sales, but only time will tell whether we can pick up lost ground. In the meantime the agricultural producer of this country suffered tremendously both socially and economically through having a government that was not concerned about allowing concessional sales along the lines of those the U.S. government made at that time. In fact, it appears that at that time the United States had a 2 per cent interest. All they wanted was the concessional sale with the commercial sale. History will show that this is what happened regarding Canada's loss of sales.

If this country goes into long-term credit, Mr. Speaker, I am sure we will be able to regain markets, but we will not regain them in the agricultural economy unless we go into that type of salesmanship as other countries have done. We know that we could establish a line of credit with a number of countries. We know that many countries would do business with Canada if they could do so in their present economic situation. Unfortunately, it appears that we can think of many other areas that do not concern the basic industry of Canada where we can grant large concessions, whereas agricultural concessions to these countries could be of the utmost importance.

We should look at some of the local problems, Mr. Speaker, and if you will permit I shall become very very parochial. Today I received a letter about a simple situation. The elevator men at this location were concerned because they could not receive the market quotations broadcast which was available to others. Apparently because of their location there was a problem of fade-out. I ask the minister through you, Mr. Speaker, to look at this market quotations service which is supplied throughout the western provinces and to make sure that it is available on all networks. We have had complaints about people in various departments getting "hung up" on radio and television broadcasting and ignoring newspaper advertising when it comes to letting the people of the country know what is going on. It is necessary that the broadcasting of market quotations be made available to elevator people so that they may know exactly what is going on.

Another area that requires attention is in connection with deferred delivery and over-delivery. Not long ago we asked the minister and the government to institute deferred delivery of grain based on the previous crop year's prices. I hope that the legislation before us will provide for over-delivery or deferred delivery. If the elevator space does not permit delivery in the crop year, then the farmers should receive the same price as for the grain they were able to deliver. I hope there is provision for this in the legislation. The minister should take this matter into consideration because it is most important to the people of western Canada.

In Canada there are a number of inland terminal elevators. They are located at Moose Jaw, Saskatoon, Lethbridge, Calgary, Edmonton, Prince-Rupert, Churchill and Vancouver and have a combined capacity of 19,350,000 bushels. It appears that these elevators are not being used to full capacity. I realize that many of them should retain a little space, but as inland elevators it is difficult to see why any appreciable amount of space is left. Less than two years ago there was an emergency on the west coast with No. 2 Northern grain. Moose Jaw was filled to capacity with it, but no trains were moving at that time. Finally, a debate in this House resulted in trains moving out of that terminal hauling No. 2 Northern to ships that were waiting in Vancouver. Surely this situation should not be allowed to exist while we have the inland elevators. Surely they should be used to full capacity. They could be used for drying grain, which was necessary less than two years ago, and for other purposes. The main thing is that they should not be standing empty when

farmers are without the means of storing grain on their farms.

I understand there has been a change at the ports, and if the minister is responsible for it then it is only proper that he should be congratulated. In conversation with people at the port of Vancouver I found out that they are now leaving cars in blocks of 50. The track will also be able to switch-out the cars. They move the cars in and change the waybills at a later date. Why could this not have been done earlier? All it will require is putting the grain in, unloading that particular grade of grain and exchanging the waybills or bills of lading. If we had used this method in the past two or three years we could have unloaded a great many more bushels of grain. I hope that this type of operation at the port of Vancouver will prove to be successful. I understand it will be a success. I hope the government will provide more storage at Vancouver and other ports, because it is absolutely necessary.

• (9:10 p.m.)

Some of us think that the powers of the Canadian Wheat Board should be widened to give the board jurisdiction not over Canadian grain but over the operation of all grain handling facilities. These should come under the jurisdiction of the Canadian Wheat Board. This is necessary if the board is to operate successfully in this day and age. We think that the cost of storing all grains should be paid by the federal government. Under this legislation, under previous legislation and under legislation still to be introduced—here it is hard to say which came first, the chicken or the egg—the farmer will still get the thin end of the wedge.

We do not hesitate in saying that the Canadian Wheat Board can do a good job in this area. The Wheat Board is facing difficulties because we are telling them, "You must do the job," at the same time we are telling international brokerage firms, "You do the job." As one speaker said, some of these firms also have an interest in shipping companies. In no way, I suggest, is it possible for international brokerage firms with an interest in shipping companies to be greatly concerned about the shipment of Canadian wheat. They will ship from the countries where their ships are at berth.

Therein lies one of the problems still facing our agricultural economy. It affects the orderly marketing and movement of grains from our shores. The international brokerage firms want their cut of the farmer's income. They want to make sure they get their slice of the pie. They have an interest in ships, and they sell grain to various countries. I assure you that if a ship belonging to an international brokerage firm were in Australia, the firm would rather fill that ship with Australian grain than send it empty to Canada in order to move our grain to Japan or wherever it may be.

As I say, this is one of the great problems besetting our agricultural economy. I hope the minister will look at the situation and make sure that if the Canadian Wheat Board is to do a job in this area it is given the tools with which to do it. Let us not give somebody else a slice of the pie in that manner. If we are truly concerned about this situation we must make sure that there is complete and orderly marketing of the kind that has been referred to. That involves, of course, the selling of grain, the placing of fresh grains out on futures and the handling of grains by international brokerage firms. Also, the Canadian Wheat Board must be responsible for the full operation of the western prairie producer.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I rise merely to ask a couple of questions about Bill C-238. I notice that it is designed to amend the Canadian Wheat Board Act. Actually, there are two amendments in the bill. The first had to do with the grading of grain and the other with the inclusion of rapeseed, and so on, under the jurisdiction of the Canadian Wheat Board. Many hon. members have talked about this matter.

Mr. Benjamin: Is the hon. member in favour of that, or not?

Mr. McIntosh: I will tell the hon. member that I am not in favour of his party; that is certain.

Some hon. Members: Hear, hear!

Mr. McIntosh: The people on my left speak one way here, and when they go out to the Prairies they speak differently. I am not afraid to take up the challenge thrown out tonight by the hon. member for Moose Jaw (Mr. Skoberg). I will certainly challenge the Wheat Board if they are not doing the job. I have been doing that ever since I came here. The one job they are not doing today is selling grain.

Mr. Benjamin: Why does the hon. member say that?

Mr. McIntosh: I will tell the hon. member why.

Mr. Benjamin: I think I know why.

Mr. McIntosh: No, the hon. member does not. They are not selling grain.

Mr. Lang: Mr. Speaker, would the hon. member permit a question. Does the hon. member appreciate that this year their total sales of Canadian grain may achieve a record?

Mr. McIntosh: Yes.

Mr. Horner: Is it "may" or "shall"?

Mr. McIntosh: I am very pleased that the minister asked me that question. I had intended referring to some of his statements along that line. I was amazed when he rose in the House while another hon. member was dealing with this matter and said that this year there have been record sales of grain. May I ask the minister a question? Is he aware of present economic conditions on the Prairies? I say that if this is the best we can do, with conditions as serious as they are on the Prairies something must be drastically wrong with this government's program.

Let me repeat something I said about the government's agricultural program. Its entire agricultural program is

based on the reduction of everything—the reduction of production, grain, cattle and even the number of farmers on the farm. They want to take 200,000 of our 430,000 farmers off the farm. That is their entire program. The minister knows that as well as I do. The minister knows as well as any prairie businessman that farming conditions are terrible and that prairie economic conditions are terrible. Farmers cannot pay debts, cannot sell produce and have produce piled up to the eaves, as I said before.

Speaking on an agricultural bill last night, the minister said as reported at page 5835 of *Hansard:*

> I have been very disturbed by the tactics of some hon. members in connection with the legislation previously before the House. I was concerned that was some indication that they would hold up legislation without regard to the good of the farmers in western Canada.

He is not the only one who is disturbed; he is not the only one who is concerned. If he had listened to the speeches of hon. members on this side of the House, he would know why farmers are disturbed and concerned. We are disturbed as a result of the issue he himself raised. Although he suggests that there will be record sales of grain, the economy of the Prairies has not been at a lower ebb for years and years. I think the minister will admit this.

What is the trouble? I am not criticizing the minister personally. I only wish he would do what he is asking us to do, that is, listen. The minister may say that according to all indications our present grain exporting system is working to capacity and that we are losing sales because we cannot meet delivery requirements. He might go on to say that if we had another $25 million of sales we could not make delivery.

Mr. Lang: That is not true.

Mr. McIntosh: The minister says that is not true. Ever since he has occupied this portfolio the minister has made excuses when we have criticized the government because grain has not been in position on the west coast, or because not enough grain has been in position. At one time it was too cold for the trains to haul the grain. Another time labour was to blame; there was a strike. In any event, the railways did not have the grain in position. There were always excuses. When reading the paper the other day I noticed that they are preparing us for another situation that may develop at the Lakehead. They are now saying that because of the late opening of the Great Lakes, they may not be able to make their promised deliveries during the shipping season.

Mr. Benjamin: God is at fault, too!

Mr. McIntosh: If our system is not adequate, let us start at the beginning and change it. What is the matter? The minister speaks of record sales, yet the economy of the Prairies is at its lowest ebb. Something is radically wrong. Let us all get together and not fight like this.

• (9:20 p.m.)

Some hon. Members: Hear, hear!

Mr. McIntosh: The minister also told us that a great deal has been said by some farm leaders and people in politics which was most regrettable; these people had only caused fear among farmers who wanted to make a success of farming. It was the intention of the government to help them as much as possible by putting the system into the best possible shape. But he would surely give us on this side of the House, and the farm leaders of whom he was speaking, at least some credit for being disturbed about conditions on the Prairies, otherwise we would not be wasting our time standing up here talking to deaf ears.

The minister should analyse the position further. In a democracy there ought to be a free flow of information. One of the reasons we are standing up asking these questions is that the minister fails to answer them during the day to day question period. If he would look back on some of his answers he would see how political they were. Then he would not get up and make statements like the one I have mentioned. He is not endowed with any more gifts than the rest of us in this House, or than the leaders of farm organizations. He is not the only one who knows what is good for agriculture. Cannot he take advice? Apparently he is taking advice from the wrong people.

If I were in his place I would listen to what his Prime Minister (Mr. Trudeau) said. What is participatory democracy? Are we to participate in it, or not? The first person who used that phrase, as I understand it, was Mao Tse-tung. Does the minister want us to follow that line of thinking? Is that what he is doing by trying to get 200,000 farmers off the land? Is he trying to establish complete control over production and everything else connected with the industry? Some of my friends think this is the case. In other words, he is going further to the left than some of those in the party sitting to my left. He is out-socializing the socialists, and that is hard to do.

This bill actually contains two distinct propositions. The first we shall not quarrel with. We are all in favour of protein grading and we give the minister full marks for bringing in the provisions dealing with this matter. But why was it necessary to include clauses making it possible to bring rapeseed, and so on, under the control of the Wheat Board? Was it to bait us? If so, he has succeeded, because every member on this side of the House who has spoken in the debate so far has criticized those provisions as unnecessary.

If protein grading is what our customers want, we can meet their requirements because we have some of the best protein graded wheat in the world. Had the minister confined the bill to those provisions, the measure would have gone through the House in an hour. But the minister had to make it a package deal. He puts a carrot in it, then he goes on the radio and blasts the farm leaders and the opposition for not going along with him.

Mr. Rose: He is a law professor.

Mr. McIntosh: Did they teach him everything about agriculture?

Mr. Rose: Lawyers are endowed with all the answers.

Mr. McIntosh: He may have sold the CCF on this idea, but he has not sold the Conservative party.

Mr. Rose: Or Mao Tse-tung.

Mr. Knowles (Winnipeg North Centre): You mean the NDP.

Mr. McIntosh: I just said he was out-socializing the socialists, and that is hard to do.

An hon. Member: Look under your bed, Jack, and there will be Mao Tse-tung.

Mr. Perrault: On with the speech.

Mr. McIntosh: If you knew where I stay, I had better look up than down.

Mr. Rose: I guess he is above you.

An hon. Member: Where are you?

Mr. McIntosh: I don't know. I don't have any place to go from there.

We on this side are tired of the minister's pleas on television and radio. We are tired of his lecturing us as he did last evening. He would get 100 per cent co-operation if he would use his learning as a law professor to analyse the situation which exists and relate the fact that a record amount of grain has been sold to the economic situation on the Prairies.

Some hon. Members: Hear, hear!

Mr. McIntosh: The farmers on the Prairies cannot eat records: they must have money to eat. The hon. member for Burnaby-Seymour (Mr. Perrault) is another who is familiar with the effects of agriculture policies on the Prairies. I do not know the source of his information or knowledge, but he must have been closely associated with the minister at one time or another because their thoughts are very much on the same lines. They contend that farm leaders and others who try to give them good ideas and suggest ways of getting their legislation through the House in an easy manner are raising unnecessary fears.

They know we can support some part of the bills they bring forward, and if we do not support the whole of the legislation they condemn us on radio and television. It is too bad the Minister of Agriculture (Mr. Olson) is not here tonight. I say to the minister responsible for the Wheat Board that those tactics are not going over in western Canada. If he does not know it now he will certainly know it shortly, judging by the number of coupons which are coming in to our offices, if they are any indication of the disturbance being created out there by the tactics these people are trying to employ.

Like other members on this side, I commend the minister for bringing in these provisions making changes in the grading system. This is something which has been needed for a long time, something our customers have wanted. But with regard to the inclusion of rapeseed, and so on, I say he would be well advised to listen to the suggestions which have been made to him and drop those particular provisions from the bill. As he says, they are not to be used right now; there is no need for them right now; as long as he is minister they will not be used. Why, then, is such a provision made in the legislation? The minister forgets he may not be responsible for the Wheat Board for very long. Indeed, he may not be a member from the Prairies for very long.

Mr. Horner: According to Doug Fisher.

Mr. McIntosh: That is beside the point. I cannot understand how he believed we would buy a package such as this; how he can tell those who will be directly affected by this legislation that it will never be used. If it will never be used, why put it in the bill in the first place? Why not wait until we hear more from the people concerned? We know there is an argument on both sides, but I do not think anyone can as yet determine whether or not these other products should be under the control of the Wheat Board.

Some hon. Members: Hear, hear!

• (9:30 p.m.)

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rose to take part in this debate thinking that I would not be recognized, but I should like to give expression to some thoughts that passed through my mind this afternoon and during the earlier part of this evening in regard to just which of the government or official opposition parties is on the side of the angels, and which is not. One gets the impression that they are on both sides.

Clause 5 of this bill repeals section 35 of the act and substitues therefor the following:

> 35. (1) The Governor in Council may by regulation extend the application of Part III or Part IV or of both Parts III and IV to any or all of oats, barley, rye, flaxseed or rapeseed or to all of them.

I gather that means that the minister and his colleagues in the government may or may not bring these products under the sole jurisdiction of the Canadian Wheat Board. This afternoon the minister agreed that the major farm organizations representing the grain producers support the provisions of the bill and agree that the Canadian Wheat Board should have jurisdiction over rye, flaxseed and rapeseed. Then the minister proceeded to say that a plebiscite should be held, that there should be a thorough investigation made and all questions that need to be asked should be asked and answers given before we decide whether these three grains should be brought under the jurisdiction of the Wheat Board.

I suggest the minister cannot have it both ways. Neither can the official opposition. Either they are in favour of a compulsory, universal, or whatever you may call it, orderly system of marketing grain or they are not, and I think it is time they said which it is. You can hold plebiscites and referendums all you want. The fact remains that the three prairie Wheat Pools, the Federations of Agriculture, the National Farmers Union and the provincial branches thereof, plus—as an afterthought—the CCF and New Democratic Party since 1935 have been saying that these grains should be under the jurisdiction of the Canadian Wheat Board.

We have both the government and the official opposition being half-pregnant, and that is not easy. They say there should be a plebiscite on this question. The three prairie pools, the three prairie federations of agriculture through the Canadian Federation of Agriculture, and the National Farmers Union have submitted briefs and resolutions to this government, and to the Tory government before it, asking that these three grains be brought under the Canadian Wheat Board marketing system. They have made this request for the last 25 years, yet both the government and the official opposition are still saying, "Well, let us be careful; let us not rush into this. After all, we have to have a plebiscite to figure out how the grain growers feel about it". They have been putting off the grain growers and giving them the run-around since both parties have tried to take credit for the Canadian Wheat Board Act in 1935. The only difference between these two parties is that when one of them is in, the other is out. Neither has introduced a measure in which the party believed in principle—

Mr. Horner: Would the hon. member permit a question at this point?

Mr. Deputy Speaker: The hon. member may put a question if the hon. member for Regina-Lake Centre (Mr. Benjamin) agrees to accept it.

Mr. Benjamin: I would appreciate that.

Mr. Horner: The hon. member has gone on at length about what may or may not have been the various positions of the government party and the official opposition, but could he clearly state the position of the NDP on rapeseed, flaxseed and rye being included within the jurisdiction of the Canadian Wheat Board?

Mr. Benjamin: I would be delighted to state the position of our party. I think it has been pretty well unequivocal, even though it may have cost us some seats. We have never strayed from the principle of an orderly, public marketing system for our grains. We have never strayed from the contention that parasites have been riding the backs of the grain growers, rapeseed, flaxseed and rye, exploiting the farmers of these three products to this day.

My colleague from Saskatoon-Biggar (Mr. Gleave) was too kind to the minister this afternoon, I think—he wasn't even mean to the official opposition—when he illustrated chapter and verse the kind of margin that exists in the grain trade as far as rapeseed is concerned. I hope either the hon. member for Crowfoot (Mr. Horner) or the minister will explain to the House the reason for a 36 cents margin on rapeseed. Who is getting this 36 cents, and what is it for? I hope the hon. member for Crowfoot and some of his colleagues will explain to the House the mysterious disappearance of rapeseed, with half of one cent going into the private grain trade. I am sure all the rapeseed growers in Alberta and Saskatchewan would like an explanation and would also like to know why there is a 36 cents margin per bushel of rapeseed.

Mr. Horner: Would you believe storage?

Mr. Benjamin: This mysterious disappearance is over and above storage. I have mentioned the three prairie pools, and there are Tories, Liberals and NDP'ers and a few others besides who are members of those three pools, as they are of the National Farmers Union, the federations of agriculture and the various branches. For 25 cotton-picking years they have been unanimous in their request for an orderly, public marketing system for all grains under the jurisdiction of the Wheat Board. Now the minister says he is going to have it both ways.

Mr. Horner: Which way are you going to have it?

Mr. Benjamin: Surely all grains should be under the Wheat Board or none of them should. This is what the minister faces and he knows it. He can drag this question out for another six or ten years, and if he is lucky the Tories will get into power and then they will be able to drag it out for another six or ten years and we will never get the question resolved. This is what has been happening since 1935 when you and I, Mr. Speaker, were just kids.

Mr. MacInnis: Would the hon. member permit a question?

Mr. Benjamin: I would love to.

Mr. MacInnis: Would the hon. member draw his remarks, which eliminated any possibility of the NDP ever forming the government, to the attention of his new leader tomorrow?

Mr. Benjamin: That is an assumption that my hon. friend has made. In spite of the fact that they do not grow a bushel of—

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

Mr. Deputy Speaker: Order. The hon. member for Cape Breton-East Richmond (Mr. MacInnis) on a question of privilege.

Mr. MacInnis: A point of order, Mr. Speaker. May I inform the hon member that I made no such assumption. All I did was put back on the record what the hon. member himself placed there when he called attention to the fact that only Liberals or Conservatives would form the government.

Mr. Benjamin: The hon. member has a good point there, and I did not make myself clear. I am glad he has drawn it to my attention and I will correct that statement right now. If and when all we are faced with is a Liberal or a Tory government, each will take turns every six or ten years holding plebiscites and trying to be on both sides of the question whether or not we will have a government-operated, producer-represented marketing board in control of the marketing of all grains.

This government has the organizational genius for having it both ways, and their position has been perpetuated by the official opposition. If the three pools to which I have referred, along with the federations of agriculture and the National Farmers Union—I admit there is some duplication of membership there—do not

represent something over three-quarters of our grain growers in the three prairie provinces, then I have missed my guess. The minister has talked about plebiscites for how many years? He can count them up. They have asked, demanded and pleaded in briefs and resolutions that these grains be brought under the jurisdiction of the Canadian Wheat Board. Whether it is the Winnipeg Grain Exchange, so to speak, the private grain trade or the grain trade as a whole, including farmers' own companies, none by itself can work in the best interests of grain producers in terms of the maximum price for the product. Only a government-operated board could do this.

• (9:40 p.m.)

The minister has to decide which way he is going to go on this. He is invited to put his proposals to the grain growers in the three prairie provinces, and that is the majority. They have submitted views year after year asking that these grains be brought under the jurisdiction of the Wheat Board.

We hear a great deal about the block system and the switching of cars. I might say for the edification of my colleague, the hon. member for Moose Jaw (Mr. Skoberg), that the minister finally agreed that farmer-owned grain companies should not be penalized for the spotting of cars that they load on the Prairies to be moved to terminals owned by the private grain trade by not being reimbursed for their costs and given their share of the market. I hope the minister is not trying to tell me that question did not enter the discussions. I hope the minister is not trying to say that was not taken into consideration when the agreement was arrived at to spot cars loaded by the Saskatchewan, Alberta and Manitoba wheat pools at the terminals of private companies. If he does try to tell us that, I am going to ask some of the officials of the three pools to give us their side of the argument.

The grain growers in the three prairie provinces have been asking for the provisions, which are only permissive in this legislation, since the 1940s—and we have had governments of the two old line parties since that time. All these governments have failed to acquiesce to the demands of the grain growers, and this government still fails to do so. The minister can sit there from now until the day he is finished as a minister, however long that may be, and never move the grain in the interests of the producers until it is done under the Canadian Wheat Board. I submit that it would be more efficient and more representative of the grain interests, not only to the producers but also to the handlers of grain, if they were all working under one jurisdiction, the Canadian Wheat Board.

This would save the grain producers money and the minister a lot of headaches. This may not be all that good for those who want to speculate and be parasites; and there are still some hangers-on from as far back as the dirty thirties. They want their day, and want their marbles without doing a day's work. There are still those who want to speculate on futures by being dealers rather than buyers and sellers of Canadian grain.

It seems to me the minister should invite the grain trade and the producers to operate under the jurisdiction of a national marketing grain agency, namely the Canadian Wheat Board. In this way he could prove once and for all that he means business and that this is one area where private enterprise has no cotton-picking business. He could even put his friends in the official opposition on the spot, as they in turn could put the minister on the spot.

We find this situation very amusing at the moment because members on both sides of the House are on both sides of the question. They do not believe entirely in an orderly, public grain marketing system. They talk about plebiscites. Any old line party could organize a plebiscite in relation to the private grain business, the livestock business or anything else. You can put coupons in the newspapers and incite and organize anybody and everybody to write in against something. I wish just for a change one of these parties would organize the people in Canada in favour of something.

It is easy to cook the books beforehand and bring in a red herring such as a plebiscite, as the minister did this afternoon. He has had the results of a plebiscite from the grain growers in the three Prairie Provinces for the last 25 years. This represents the overwhelming majority of grain producers. Some of my relatives who are not members of the NDP are sick, tired and fed up with the old expression—

An hon. Member: They are even more so now.

Mr. Benjamin: You can choose your friends but you are stuck with your relatives. Even some of them are fed up with what is happening in relation to the grain trade, the grain exchange and the industry as a whole. The minister had better make up his mind which way he is going to move. He cannot be for the grain producers on the one hand and against them on the other. I suspect he is even conning his colleagues in the cabinet, who would not know a bushel of anything from their backsides, into going in with him because he has not the nerve to do one thing or the other. He is not the first. All his predecessors in Liberal and Tory governments have not had the nerve to move one way or the other in respect of the demands of the grain producers in the three Prairie Provinces.

The NDP is in the same position as usual in respect of a bill such as this when the government, Liberal or Tory, goes only so far. They are afraid to go the whole way and do what they are talking about. They never do what they say. They talk a good fight and put in all the words that mean orderly marketing. They are all in favour of the Wheat Board. You could not get a Liberal or a Tory in this place to say a word against the Wheat Board. Ask any one of them to give the Canadian Wheat Board the kind of policy that will allow them to function with complete authority in the interests of the grain producers and they will say, "Oh, no. Wait a minute. We have to be careful before we do this. We must hold a plebiscite. We have to think this over some more." My God, we have been thinking it over since 1935. The government said it is not sure yet whether it wants an orderly marketing

system. I hope my friends from both of the old parties will come to Regina-Lake Centre or any riding in Saskatchewan and try to sell the half-pregnant idea that they are working in their interests.

An hon. Member: We have been successful for 14 years.

Mr. Knowles (Winnipeg North Centre): What about Assiniboia?

Mr. Benjamin: The hon. member for Swift Current-Maple Creek (Mr. McIntosh) could not find a Saskatchewan Wheat Pool member or delegate anywhere in his riding who would agree with his position tonight. I hope he will make the same speech in his riding and give all that jazz about these three grains not being under the Canadian Wheat Board. I hope the hon. member for Saskatoon-Humboldt (Mr. Lang) will talk the same way in his riding and in mine as he does here. How much longer does the government intend to put off the grain producer? What more do they need than the request from—

Mr. Lang: Would the hon. member permit a question?

Mr. Deputy Speaker: Is the hon. minister rising to ask a question?

Mr. Lang: Yes, Mr. Speaker. I believe the hon. member is willing to answer one. Does he not agree that more rapeseed is grown in my riding than in his riding and the riding of the hon. member for Swift Current-Maple Creek put together? It may make some difference if we know whether the hon. member is talking about growers of rapeseed or just growers.

Mr. Benjamin: That is perfectly true. There is more rapeseed grown in the minister's riding than in the ridings of the hon. member for Swift Current-Maple Creek and mine put together. I do not know what the minister has been hearing from the rapeseed growers in his riding, but I have been hearing from them and the hon. member for Saskatoon-Biggar has been hearing from them. I do not know whether the minister has quit reading his mail or whether people have just quit writing him. It may be the latter.

This minister displays a stubbornness and arrogance of a kind not known even to Jimmy Gardiner. He has received representations time after time from the majority of producers in the three Prairie provinces, yet he refuses to listen to one thing they have asked. He chickened out on a couple of things in the stabilization program because these producers were so bloody mad that even his own colleagues would not go along with him. He had only one colleague from Saskatchewan, and we really miss him now.

The minister betrays the grain growers and those who side half-way with him or against him by not bringing these three grains under the Canadian Wheat Board. He also betrays the grain producers in the three Prairie provinces. He had better make up his mind, because this is what it's all about. This is what we will point out when we are back home in the hills. The minister cannot have it both ways. He cannot fool the people any longer.

• (9:50 p.m.)

The minister is part of the government. In which way does he want it? He cannot have it both ways any longer. He cannot fob us off with plebiscites. All he need do is take a quick look at all the submissions, briefs and resolutions he has had. I would remind my colleagues in the official opposition to pay a little attention to the grain growers in the three prairie provinces who have been waiting since the end of the Second World War. Then we might have an end to this damned nonsense about the minister may or may not, or the Governor in Council may or may not, put some of these grains under the Canadian Wheat Board.

Why do we need a Winnipeg Grain Exchange? What, in the name of common sense or efficiency or in the name of better returns for farmers, do we need a private grain trade for, jockeying back and forth on prices? That has nothing to do with the welfare and good order of the grain growers. We do not need them. The minister can put representatives of those people on the Canadian Wheat Board if he wishes. Also, he can give the Canadian Wheat Board complete jurisdiction over those three grains. He knows that, but he chooses to be friends to both sides. Well, that is fine; he can try to be friends of those who reside in Winnipeg or occupy the multistoried buildings in that city, but I hope he will come out to Nokomis, Watrous and some of the other places in Saskatchewan and tell the grain producers there about how he brought in legislation which did not fulfil their requests which go back for many years. It will be an interesting exercise to hear him try to explain that. He has not explained it in this House. All he has done is put off the question.

The official opposition now starts the same old hysterical scare-campaign. They say, "Be careful; this minister could almost be considered to be next door to a communist if you are not careful. The very fact that this is permissive legislation might mean that when the bill passes he will place these three grains under the Wheat Board the very next day." Mr. Speaker, to hear them tell it, this guy would make Khrushchev look like a Conservative. Really, most of these outfits would stretch anybody's credibility. To hear them tell it, the minister in charge of the Wheat Board is a wild-eyed, raging left-winger. That ought to send any mild Socialist into hysterics.

The members of the official opposition had better make up their minds once and for all—let us all put our cards on the table—whether they are in favour of a public-controlled or state-controlled, I will use that word because it will suit them better, public marketing system of grains in the territory covered by the Canadian Wheat Board. Let us divide it along those lines so we can see which way the sheep go and which way the goats go.

Mr. McIntosh: You still would not believe it.

Mr. Benjamin: Coming from the hon. member for Swift Current-Maple Creek I probably wouldn't; but I would like to know which way he goes. I am sure the grain growers in Swift Current-Maple Creek would like to know. You see, it is a little easier to get away with the jazz about livestock or hogs, because there are not so many. It is a little easier to get away with that. You can gallop around on either side of the question ad nauseum, but the grain question is a little different. That will be a little tougher for these boys to handle.

If you want a Canadian Wheat Board which has some authority and some policies, then you should not handcuff it. You should allow it to do a job for the benefit of the grain producers of Canada, with the national strength of Canada behind its operation in the international market. You should not diffuse or weaken it by allowing a lot of parasites to get their hands in the till as well. If this is what you want, you will not allow a lot of people who do not do much work on grain production or selling to get a piece of the action. You will preserve this for the grain producers and for the national interest, and you will quit allowing the grain trade in its multiplicity of numbers, or the grain exchange—these parasites who never did an honest day's work in their lives and who speculate on the work and labour of other men—to become involved in this area.

I believe this is where the nuts and bolts of the operation are. I believe there is more to this bill than meets the eye. It is not as nice and mild as the minister would have us think. It is not as the official opposition would have us believe. They would have us believe the minister will bring about state control in respect of all these grains automatically. Mr. Speaker, I would bet that if this bill passes, you and I will not live long enough to see the minister put these three grains under the Canadian Wheat Board, because he does not really mean it. He does not really believe it. I question whether he really believes in a government-operated, producer-controlled, public, orderly marketing system for grains. If he did, he would not horse around with futures markets for flaxseed or rapeseed. If he really believed what he is talking about in this bill, he would not try to kid the official opposition which at least would like to be on one side. He will not let them.

Mr. Speaker, I hope the members from the two old line parties will get up and once and for all say what they stand for, instead of trying to be on both sides of this question. The New Democratic Party has favoured public marketing of grains under the Canadian Wheat Board since 1935. We have never wavered from that. I hope some of the figures the hon. member for Saskatoon-Biggar threw at the minister this afternoon will give him pause and cause him to think about what is happening to the rapeseed growers and how many cents a bushel they have been done out of in the past three years.

If the minister will think this over a little, perhaps he will say that the bill needs amending in order to make it a little stronger than it is. Then perhaps once and for all the grain producers of the three Prairie provinces will get what they have been begging for for years. They are by far the majority. If the minister wants to have a really good plebiscite he had better call one tomorrow so that those who throw their money, their interests, and their prejudices behind outfits like the private grain trade and the Winnipeg Grain Exchange will not be able to flood the weekly newspapers with misrepresenting half-truths such as we have had in the past few weeks.

I hope the minister will say that the day this bill is passed there will be a plebiscite so that the grain producers can speak without being saturated with a propaganda campaign the like of which reminds me of medicare and several other fights the people of this country have fought for years and years and then had to wait while the old line parties tried to be all things to all people.

An hon. Member: Old Lang!

Mr. Benjamin: Auld Lang parties might be a better way to say it. It is not Auld Lang Syne, although I hope to sing that song to the hon. member. Mr. Speaker, I hope hon. members in the old line parties will say whether or not they are in favour of a government-operated, producer-controlled Canadian Wheat Board with all grains under it. When they do that it will be an edification for all the people of the three Prairie provinces.

PROCEEDINGS ON ADJOURNMENT MOTION

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

PUBLIC SERVICE—CLYNE COMMITTEE RECOMMENDATION FOR WITHDRAWAL OF RIGHT TO BARGAIN COLLECTIVELY FROM CERTAIN EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, on Tuesday, May 11, as recorded in *Hansard* at page 5688, and on Wednesday, May 12, as recorded at page 5735, I put questions to the President of the Treasury Board (Mr. Drury) concerning a certain recommendation in the most recent report of the Clyne committee. The recommendation in question is the one to the effect that a large number of senior public servants should be removed from the area of collective bargaining.

• (10:00 p.m.)

I asked the President of the Treasury Board to give the assurance that the government would not support this retrogressive recommendation. On both of the days to which I referred, the reply of the President of the Treasury Board was to the effect that I was asking him to prejudge the study of a committee which is considering the whole question of the Public Service Staff Relations Act.

This matter really goes back to Monday, April 26, when the Prime Minister (Mr. Trudeau) rose in this House and tabled two or three documents, one of which attracted more interest than the others, namely, the one having to do with increasing the pay of Members of Parliament. I am afraid that because of the attention that

was given to that matter, less attention than they deserved was given to the recommendations of the Clyne committee which the Prime Minister tabled at the same time. It seems to have taken some time for those concerned to become aware of the significance of the recommendations of the Clyne committee, but I submit that some of them are very serious and, as a matter of fact, all of them are of significance.

The point I wish to make in support of my pressing again tonight the question I asked on May 11 and 12 is that when the Prime Minister tabled the Clyne committee report on April 26 he picked out one recommendation in it which, he said, the government refused to accept. There was no suggestion that that amounted to a prejudging of the study of the Public Service Staff Relations Act. The government took its position and made it clear there was one recommendation which it refused to accept. There were certain other recommendations which it said it was prepared to accept. There were one or two which it said it had already put into effect. As for this question of removing senior public servants from the provisions of collective bargaining, the Prime Minister said that that could well be studied by the committee which is operating under the aegis of the Minister of Manpower and Immigration (Mr. Lang).

It is my contention that the government, having identified clearly the portion of the Clyne report to which it was opposed has, by implication, accepted the rest of that report. To tell us that it has been referred for study when it is not willing to take a position on it in public as it did on one matter is, as I see it, to imply a readiness to accept that recommendation.

It is my observation that many public servants in the area affected are quite concerned about this. The organizations that represent them are expressing that concern. This is true in particular of the Professional Institute of the Public Service and the Professional Association of Foreign Service Officers. These two staff associations would be most affected if the Clyne recommendation were carried out. But even though the two organizations most affected are the two that I have indicated, the Public Service Alliance of Canada has also taken the same view. It has come to the aid of its sister associations in urging that the government come clean with respect to this matter.

I submit it is not good enough just to tell us that to ask for a statement is to ask for a prejudging of the recommendation of the special committee. We have been through this kind of thing before. If we sit back and say nothing, the government can well come along and accept the Clyne recommendation and thousands of these senior public servants will be removed from the area of collective bargaining.

Maybe the government is not in a position to say at this point that under no condition will it agree with the Clyne recommendation, but it ought at least to refrain from accepting it in advance; it ought to make it clear that its mind is open on the matter. The impression I get is that its mind is not open, that it has in effect accepted all of the Clyne report except the one point; and that leaves the whole matter in a very unsatisfactory situation. I note that the Parliamentary Secretary to the President of the Treasury Board (Mr. Gillespie) is here tonight to answer on behalf of the minister. I hope he will have something much more hopeful for us than has yet been given during the question period by the President of the Treasury Board.

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am pleased to answer the question put by the hon. member for Winnipeg North Centre (Mr. Knowles). As he, in his introductory remarks, recited the circumstances which gave rise to this particular question I do not think it necessary to go over that ground again. I think there were three citations, two questions that he put to the minister, and a third the statement made by the Prime Minister (Mr. Trudeau) on April 26.

It seems to me that the hon. member is doing two things. First of all he is speculating about what may be in the government's mind, and second he is trying to adduce a certain logic from the position taken by the government. He has stated, in effect, that because the government has accepted a number of the proposals of the Clyne committee and because it has refused to accept one other proposal, therefore in saying that it is going to give consideration to a third, somehow or other it has already prejudged the issue. I would draw his attention to the section of the Prime Minister's remarks when he said:

> The advisory group recommends that the managerial group excluded from collective bargaining should be more clearly identified and enlarged—

Here is the key part

> —and the government is prepared to have this matter studied further in conjunction with the review of legislation affecting collective bargaining.

Surely this is clear. The government has said it is a matter it will take under consideration. It is not prejudging the issue. It formed a committee to undertake this particular review and it is assigning this particular recommendation of the Clyne committee to that committee. For the minister or anybody else at this time to state an opinion would be prejudging the issue. For those reasons, Mr. Speaker, I regret that I am not in a position to add anything more to what has already been said by the minister on this matter.

MANPOWER—MEASURES TO ASSIST SCIENCE AND ENGINEERING GRADUATES TO OBTAIN APPROPRIATE EMPLOYMENT—STIMULATION OF RESEARCH AND DEVELOPMENT

Mr. Doug Rowland (Selkirk): Mr. Speaker, on April 5 the Science Council of Canada made public a background report which revealed that Canadian graduates in science and engineering are now experiencing, and could expect to continue to experience for some time in the future, considerable difficulty in obtaining employment related to their training. It is absolutely appalling to me that this country is unable to employ the talents of these people. In human terms, how can we say to these people that

they have spent four, five, six, seven or eight years acquiring training and talents for which the country has no use? What does that do to young men or women, and how can we accept the necessity to make that statement?

In social terms, the waste represented in not having appropriate employment available for our engineering and science graduates is of a magnitude that makes the *Bonaventure* debacle pale into total insignificance. The losses, in terms of the employment these people would generate if properly employed and in terms of technological developments forever unrealized, are incalculable. How can we as a society afford to lose the productive capacity that these people, properly employed, would represent?

• (10:10 p.m.)

The Science Council background paper suggested that one of the ways to meet the need to find suitable employment for graduates in science and engineering, and at the same time to provide maximum benefit to society, would be to place greater emphasis on expanding the research and development capacity of this country. A number of suggestions on how such an expansion might be managed were put forward. When I questioned the ministers involved about their intentions with respect to the suggestions, their replies were to the effect that all recommendations would be studied.

My main purpose in speaking tonight is to suggest to the government yet another possible avenue for encouraging the expansion of this country's R and D capacity. In order to place the suggestion in context it might be worth while to devote a few seconds to examining the reasons for our failure to develop an R and D establishment equal to Canadian needs and matching our capability to such activity. Obviously, in seven minutes I cannot touch on all factors but two predominate. Firstly, our industry is dominated by the branch plants of international, especially American, corporations with the result that expansion in our industrial capacity has not meant a concomitant increase in our R and D capacity, as would normally be the case. The bulk of the research and product development for most foreign-owned corporations, predictably, takes place outside Canada. We have as a result, with some all too rare but notable and important exceptions, become copiers rather than innovators in industry.

Secondly, the vast majority of domestically-owned corporations, with a few and obvious exceptions, are too small to support their own research establishments. Presumably, re-establishing Canadian control over our economy would have salutary effects on this situation. Of greater immediate impact, I suggest, would be the creation by the government of a research and development establishment which would make its services and facilities available to Canadian industries on a fee for service basis. Industries not large enough to themselves undertake the development and testing of product improvements and new inventions could then go to the government research establishment, which would possess the necessary capacity, and ask it to undertake research into product improvement and the testing and development of new products. Financing arrangements could be flexible enough to permit either a flat fee, a royalty arrangement or a combination of the two.

The creation of such a government-operated research and development establishment oriented toward industry, toward product development and improvement, toward the market rather than toward pure research could do much to place Canadian industry in the forefront of technological development, improve our export position and at the same time provide appropriate and fulfilling employment for some of our science and engineering graduates.

I hope that in studying the implications for government action in the Science Council background paper the government will give consideration to the suggestion I have made this evening.

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, in his remarks this evening the hon. member for Selkirk (Mr. Rowland) has touched on a number of important items covering this vast area of public policy. It will not be possible for me, in 2½ minutes, to do much more than highlight one or two of those items. His suggestions with respect to the improvement of development of innovative capacity in Canada will be well received in government circles, I am sure. I think his concern that the branch plant could discourage Canadian innovative capacity might be overstated. As I recall, studies that have been done in this area indicate that foreign-controlled plants in Canada do as much in the way of R and D as Canadian-owned corporations in Canada. That is not to say that Canadian corporations do as much as corporations in other countries. What I am trying to suggest is that he may be overstating the ownership aspect.

There are three things I want to touch on quickly with respect to the manpower aspect of the hon. member's suggestions. The National Research Council introduced quite recently post-doctoral industrial fellowships aimed at assisting small companies over what might be described as the transitional stage. I am talking about small companies that cannot afford the expense, say, of PhD assistance. The post-doctoral industrial fellowship is a step in that direction. Similarly, the Industrial Research Assistance Program, or the IRA program, is designed to help small companies or those not using R and D to develop R and D capability.

The last point the hon. member talked about had to do with creating new R and D establishments. Perhaps the hon. member knows that the National Research Council at present does some testing. It does some testing on a fee for service basis. It does testing, for instance, on products for the building trades and some that is connected with the mechanical engineering trades. It also does testing in the general area of the National Aeronautical Establishment capabilities.

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary, but his time has expired.

GRAIN—WHEAT—ADDITIONS OF UNUSED PORTION OF LIFT PROGRAM FUNDS TO TRANSITIONAL PAYMENTS

Mr. John Burton (Regina East): Mr. Speaker, on May 12 I asked the minister responsible for the Canadian Wheat Board the following question:

In view of the fact that only $53.7 million of the $100 million voted for Operation Lift has been paid to farmers, and since the minister has expressed satisfaction with farmer response to the program, is the government considering adding the unspent portion of the money voted to the transitional payments provided for in Bill C-244. This would be done, of course, after making allowance for certain payments still to be made.

The minister replied:

—of course the $100 million associated with Operation Lift was an estimated figure of the amount which would be used if farmers took the fullest possible advantage of the program. The amount spent indicates exactly the extent to which they took advantage of the program and the extent to which cash flow increased in the prairie region under that policy.

I asked the further question:

Does the minister then renege on the $140 million figure that he originally gave to the House of Commons?

After a moment or so the minister responded with a question of privilege and said that at no time had he indicated to the House of Commons a $140 million figure, although he acknowledged that it was true that some press headlines had used that figure.

I wish to deal with two aspects of the point raised in my question tonight, Mr. Speaker. The first concerns the transfer of the unspent portion of Operation Lift funds to the transitional payments provided for under Bill C-244. This would then add between $40 million and $45 million to the funds available to western farmers and would bring that sum up to between $140 million and $145 million. This money, I think, is very much required because of the very serious economic conditions facing western farmers which I am sure the minister would acknowledge.

The minister indicated in his answer that that program was set up to achieve certain objectives and that the payment was based on the response of farmers to the program. This, of course, is true. It must be noted, first of all, that the minister on a number of occasions last summer expressed his satisfaction with the response of farmers to that program. Thus, I suggest that he ought to have no objection to transferring the remaining funds to the transitional payment program proposed in Bill C-244.

The minister should also note that when we deal with the amount of money provided under Operation Lift, we are really dealing with money that was voted for the western farmer. People all across Canada have the clear impression that $100 million was paid to western farmers, whereas actually only $53.7 million was paid out to those farmers. Nevertheless, all government publicity as well as the manner in which the program was presented left the impression that $100 million was paid out. In addition, the further impression was left that some $140 million was paid out.

I know the minister has expressed concern on a number of occasions about people in the rest of Canada being under a false impression as to what was being done for the western farmer. Certainly there is a false impression abroad now, because $140 million has not been paid out to the western farmer. There has not been $100 million paid out to the western farmers but only some $53.7 million. This is money which was voted for western agriculture and which is urgently needed at the present time. It would help stimulate the economy in that portion of Canada and would have consequences in other regions of Canada as well.

• (10:20 p.m.)

The second point I wish to deal with concerns the minister's statement that at no time did he say the figure was $140 million. I checked through my records and have to acknowledge I cannot find any instance of the minister using the figure $140 million at a particular point in time, but I submit that on every occasion he dealt with the subject he quoted a set of figures which could only add up to $140 million as being the largest sum potentially involved in this program. That is what he referred to in his first answer to me as reported in *Hansard* at page 5740—that $100 million would apply, provided farmers took the fullest possible advantage of the program.

In his press release of Feburary 27 he referred to taking 22 million acres of crop land out of production. He referred to $6 per acre which would be paid to farmers. He referred to two million acres which would be eligible for forage payments, and he also referred to $4 an acre which could be paid in respect of the forage program. It was stated that the estimated actual cost of the program was $100 million but that this was not the fullest possible potential of the program. The Minister of Agriculture (Mr. Olson) was a good deal more frank when he answered a question by the hon. member for Mackenzie (Mr. Korchinski) on March 22, as reported at page 4223 of *Hansard* of 1970. The minister stated at that time:

If you take the 22 million acres which was seeded to wheat last year and multiply that figure by $6 per acre, and if all of it goes to summer fallow, that will be $132 million; and if you take the two million acres at the $4 per acre we are offering for forage crops, you will find that the $8 million and the $132 million come to $140 million or precisely the figure.

So it is clear that the potential capacity was $140 million, I feel there is no justification for suggestions that only $100 million were involved as the maximum potential figure. The minister's colleague used the figure of $140 million and the figures he used in his own statement add up to nothing else than $140 million. I do not think he will deny that his officials also used the figure of $140 million, and this sum was referred to on many occasions in the press as representing the full potential of the program.

I urge the minister to ensure that the $40 million to $45 million unspent on Operation Lift are transferred to the transitional payments program and added to the $100 million provided for in the bill as it now stands. I suggest he should reconsider his statement about the $100 million

being the fullest possible potential of the program as envisaged.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it was clear from the beginning in connection with the Lift program that the number of dollars available to farmers would be paid on the basis of $6 per acre in the case of forage and $10 per acre taken out of wheat and transferred to non-production or forage. When we expressed satisfaction with the performance under the Lift program it was done essentially against a background of gloom and prophesies of complete non-cooperation from farmers which the hon. member for Regina East (Mr. Burton) and his hon. friends had been making for many days at the time the program was announced.

Indeed, but for their sowing confusion about the nature of the program and the desirability of farmers participating in it, the amount spent under the program would probably have been higher. It would also have meant greater benefit to the Prairie farmers. Hon. members opposite have it on their conscience when they mislead some farmers into growing wheat instead of either selling their surplus, if they had one, or planting other crops if that was the logical alternative.

In fact, the total amount of money that will be spent under the Lift program when it is concluded will likely be in the neighbourhood of $65 million. Some $57.7 million and a few more dollars has now been spent; $65 million will likely be the total. There was never any promise of money apart from the program, but an amount of $100 million was put into the estimates since we thought it was a realistic figure, though on the high side. Since then we have put $40 million into the program for forage incentives over a three-year period, but the hon. member ignores that. We put $10 million a year into marketing development, as I have indicated. We will put another $10 million a year into marketing development, but the hon. member ignores that.

The truth of the matter is that in every program we devise, we try in every way we know to help farmers of the Prairie region receive more cash for their efforts and to have a more prosperous future.

Motion agreed to and the House adjourned at 10.28 p.m.

HOUSE OF COMMONS

Tuesday, May 18, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

JUSTICE AND LEGAL AFFAIRS

Seventh report of Standing Committee on Justice and Legal Affairs—Mr. Tolmie.

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

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AGRICULTURE

TABLING OF FINAL REPORT OF ROYAL COMMISSION ON FARM MACHINERY—STATEMENT BY MINISTER

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am pleased to table the final report of the Royal Commission on Farm Machinery in both official languages. This report represents the culmination of five years' study by Dr. Barber and his research staff. The final report presents a very extensive series of recommendations aimed at both federal and provincial governments and the machinery companies themselves. Within the federal government, recommendations fall in the field of responsibility of several departments. For this reason the government has named an interdepartmental committee to consider the recommendations.

As far as those recommendations that lie within the responsibility of the Canada Department of Agriculture are concerned, certain actions have already been taken. These include an increase in the resources allocated to agricultural engineering; emphasis on the evaluation of the machinery in the production system; the development of a proposal designed to assist farm adjustment, and increased operating grants to universities for agricultural engineering purposes. Arrangements are also being concluded for a meeting with representatives of the industry in order to give further consideration to matters of joint interest, including the financing of farm machinery.

In tabling this document the government would welcome the views of all interested groups and individuals and I look forward to receiving these in order that the most useful and most workable policies can be developed.

• (2:10 p.m.)

Mr. R. E. McKinley (Huron): Mr. Speaker, I am sure we are all grateful that Dr. Barber and the members of his commission have at least produced this final version of their report on farm machinery. We certainly hope that some of the recommendations in the report will provide some help to all farmers across Canada who find themselves in a very difficult position because of diminishing returns and ever-increasing costs of production. I have learned recently that even in Huron County, a normally prosperous agricultural area, some farmers have been unable to pay their electricity bills and consequently their hydro service has been cut off. They are in this plight partly because of the recommendation this government made to the farmers of Canada, when they could not sell their feed grain, to diversify and get into other production. The government ruined the situation for farmers all across Canada. I hope the recommendations stemming from this report will not lead the government to introduce legislation which will create a similar problem for all farmers.

It seems to me to be very plain that there must be something wrong in the farm machinery industry because associations such as the Federation of Agriculture have been importing tractors for two or three years and selling them to farmers at a greatly reduced cost compared with the prices being charged by the regular machinery dealers and large companies. It is high time—and I am very pleased that this report so recommends—that the government and the farm machinery companies of this nation and of the nation across the border got together to find out what is wrong and why our farmers are being gouged in purchasing farm machinery.

I might make a suggestion concerning the financing of farm machinery. Some provinces now subsidize interest rates to a certain extent so that it is easier for farmers to buy the farm machinery they require. I suggest to the government that such a policy might be extended all across Canada so that all farmers in Canada would have an equal opportunity to share in this type of government assistance.

We will look forward to reading the report. I sincerely hope something will come out of it which will help cut the cost of production for farmers and be of benefit to them. We can talk about stabilization of farm income as much as we wish, but if we stabilize the farmer's income at the present level without doing something about increasing his profit the result will be that more farmers will leave their farms and wind up on the welfare rolls of the towns. We know we already have too much of that. It is time the government got busy on a program designed to keep farmers on the farms and prosperous so that they can buy the products produced by the workers in the manufacturing plants and thus bring an end to unemployment. This must be done and the sooner the government gets at it the better.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, we are quite happy to have the final report of the Barber Commission before us. It has been so long since the commission was appointed that some farmers will almost be old men before they even hear what is contained in the report, let alone react to it. We look for-

ward to examining the report in detail. Hopefully, some of the recommendations will be good enough that we can do something constructive about the problems of the farm machinery industry. I hope the government is not as slow in accepting the recommendations or in taking action in connection with the problems exposed by the report as the commission has been in preparing the report.

I suggest to the Minister of Agriculture and the House that farm machinery costs are a very important part of farmers' problems at the moment and unless we take some real action in this connection these problems will continue. I am hopeful that the government will do something constructive about the cost of farm machinery. The government might extend financing to some of the small machinery companies operating in Canada. Perhaps it might consider a method of financing farm machinery on the farm or even extending further financing to countries behind the iron curtain which are selling machinery at greatly reduced prices. We look forward to reading the report and being able to make constructive suggestions.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, the minister has just tabled the report of the Barber Commission on farm machinery.

The Commission created by the government took five years to study the high cost of farm machinery sold in Canada. Five years is quite a long time and I think that had there been farmers sitting on the Commission the latter would have found out much sooner why farm machinery is so expensive.

The government announces that following the report it has named an interdepartmental committee to consider the report completed after five years of work. From past experience, I think the committee will take at least five more years to study the report.

When decisions are taken—decisions that we hope will be effective—the conclusions of the report will be out of date and we will have to go through the whole process again.

In his statement, the minister has said, and I quote:

> Arrangements are also being concluded for a meeting with representatives of the industry in order to give further consideration to matters of joint interest—

Will it be matters of joint interest to the industry or to the farmers that will be given further consideration? I think protection should be provided for the farmers' interests before those of the industry and that some means of financing farm machinery purchases should be developed, because there are so very few farmers who can afford to pay cash for their implements. They have to be given the opportunity of buying this machinery at a rather low rate of interest that they may be able to pay. Groups and individuals interested in agriculture are asked in this statement to submit briefs and recommendations to the government. I hope that the latter will seriously consider them.

[Mr. Thomson.]

[*English*]

OIL

PROPOSED TRANS-ALASKA PIPELINE SYSTEM—TABLING OF SPEECH BY DEPUTY MINISTER OF ENERGY, MINES AND RESOURCES

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to table, under Standing Order 41(2), a speech delivered by my deputy minister, Mr. J. Austin, in Anchorage, Alaska, in accordance with my undertaking to the hon. member for Comox-Alberni on May 11. I may say, having now read the speech of the hon. member at his invitation, that I find that taken as read from cover to cover and in context the speech is in accordance with government policy as iterated from time to time.

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IMMIGRATION

TABLING OF AGREEMENT RESPECTING PRESENCE OF QUEBEC DEPARTMENTAL OFFICERS IN FEDERAL OFFICES ABROAD

Hon. Otto E. Lang (Minister of Manpower and Immigration): I wish to table, under Standing Order 41(2), an agreement relating to the presence of orientation officers of the Department of Immigration of Quebec in federal immigration offices outside Canada, in both official languages.

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• (2:20 p.m.)

YOUTH

PHYSICAL FITNESS, SPORTS SAFETY EQUIPMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I rise to move a motion under Standing Order 43 on a matter requiring urgent attention. The latest unfortunate sports incident resulting in the death of a young boy emphasizes the need for a complete investigation into the use of adequate sports safety equipment by our youth. Further, statistics indicate that Canadians lag behind other countries in physical fitness and support the priority need to examine the area of youth development in Canada. I therefore move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

> That this serious situation and the designation of responsibility in the area of youth development and adequate protection for those participating in sports and recreation, be referred to the Standing Committee on Health and Welfare.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Humber-St. George's-St. Barbe. The motion, being submitted under the terms of Standing Order 43, requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. Therefore the motion cannot be put.

ORAL QUESTION PERIOD

FEDERAL-PROVINCIAL CONFERENCE

SUGGESTED ATTENDANCE OF LEADERS OF OPPOSITION PARTIES AS OBSERVERS AT JUNE MEETINGS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to address a question to the Acting Prime Minister with regard to attendance as observers at the forthcoming federal-provincial conference in Victoria. Is the government considering inviting myself and the leaders of the other opposition parties to attend the sessions, both closed and open, as observers—

Mr. Guay (St. Boniface): What will you contribute?

An hon. Member: A hell of a lot more than you.

Mr. Stanfield: —departing from the policy the government has followed in the past in this regard?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I understand it is the intention of the government to arrange for some observers to be with the federal delegation. I would question, however, whether the meetings would be closed, in the sense in which the provinces would wish, far less the federal government, if observers were to be present during the closed sessions, and so I think the answer I must give must be in the negative on that part of the question.

Mr. Stanfield: As a supplementary question—

Mr. Guay (St. Boniface): Any suggestions?

Mr. Stanfield: Mr. Speaker, we seem to be getting a certain amount of static from the other side. I am sure the Acting Prime Minister will agree with me that constitutional reform is not the private preserve of the government of Canada. I would therefore ask the Acting Prime Minister, in view of the importance of this meeting and in view of the fact that the government may very well need at least the understanding of as broad a cross-section of Canadians as possible with regard to its constitutional proposals, whether the government will not reconsider its decision to exclude the leaders of the opposition parties as observers from closed consultations? Will the government not reconsider this decision in view of the crucial stage these discussions have reached, and in view of the obvious importance of having as widespread understanding as possible in the various parties with regard to the government's proposals?

Mr. Sharp: Mr. Speaker, it is quite clear from the way in which the government has made its proposals known to the public as well as to Members of Parliament, and in light of the activities of the parliamentary committee which is now touring the country, that the government wants as much understanding as possible of the nature of these constitutional issues. So I do not think the government lies open to that particular charge. When it comes to the negotiations, before proposals are placed before our respective parliaments and the people I do believe it may be useful—and I think the Leader of the Opposition having been the head of a government himself understand this—and that on occasions it is well to have private conversations.

Mr. Stanfield: Mr. Speaker, I would like to ask the Acting Prime Minister why the government of Canada finds it necessary to take a narrower attitude toward the make-up of its delegation than have several provinces in the past, including the province of Nova Scotia, and whether he can justify in any way the exclusion of representatives of the opposition parties?

Mr. Speaker: Order, please. That question is argumentative. The hon. member for Greenwood on a supplementary question.

REPRESENTATION OF MUNICIPALITIES AT JUNE MEETINGS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to ask the Acting Prime Minister if consideration is being given to the representation of municipalities as observers or otherwise inasmuch as the constitutional committee has had many representations of this kind and the Federation of Mayors and Municipalities has also urged that the municipalities are concerned about the future constitution of Canada and should be represented at important discussions?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, that would certainly be a decision for the provincial governments. Perhaps, as the hon, Leader of the Opposition has said, provincial governments may be willing to add municipal representatives as members of their delegations rather than just as observers. We would have no objection to this, but some provinces may feel that they can make greater progress in these negotiations if the delegations are not too large.

[*Translation*]

INVITATION TO JOINT COMMITTEE ON CONSTITUTION TO ATTEND MEETINGS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to direct a supplementary question to the Acting Prime Minister.

Will the Joint Committee on the Constitution, which has travelled throughout Canada to hear the views of the people about the constitution, be invited to attend the forthcoming federal-provincial conference in Victoria, this June?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think this illustrates the problem facing the government. I can understand that some members of the House might have a greater reason to be present during these negotiations than others, but one then opens the question of why all Members of Parliament and all members of provincial legislatures should not be invited. As to the particular question, the committee of Parliament which has been touring the country is free to make a report either in advance of or after the June meetings.

Inquiries of the Ministry

EXTENSION OF JUNE MEETINGS TO DISCUSS UNEMPLOYMENT AND INFLATION—POSITION OF PROVINCES

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question for the Acting Prime Minister, Mr. Speaker. Has the government been in touch with the provincial premiers, as the Prime Minister said it would, to find out if they would be willing to spend one, two or more extra days at the conference to discuss questions of the economy, in particular unemployment and inflation? If so what has been the response so far?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I have not had an opportunity to discuss this question yet. I know that our officials have been discussing the agenda with provincial officials and particularly the item of constitutional reform. I should like to reiterate what the Prime Minister said, that whether or not time is set aside for discussion of these other important matters, first priority should be given to constitutional reform.

Mr. Hees: Will the Acting Prime Minister assure the House that he will inquire from the provincial premiers whether they are willing to extend the time to include this most important matter, and when he has done so will he immediately report back to the House the results of such inquiries?

OBJECTIONS BY PROVINCES TO VETO POWER AND RIGHT TO AMEND CONSTITUTION—PRIOR CONSULTATIONS

Mr. Eldon M. Woolliams (Calgary North): As a supplementary question I should like to ask the Acting Prime Minister if he has had to date, prior to the conference commencing, any objections from the province of Alberta or any other Prairie province to the veto power and the right regarding amendments to the constitution?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would suggest that if we are going to make progress at these constitutional discussions it would be better if these matters could be discussed at the conference and not be the subject of offhand remarks by anyone.

Mr. Woolliams: Can the Acting Prime Minister advise the House whether he or any other member of the government has had prior consultations with the premiers so that their opinions and objections are known prior to the commencement of the conference?

Mr. Sharp: Yes, Mr. Speaker. Preparations are now going on for the conference and federal authorities have visited the provinces to discuss in advance questions that will be raised at the conference.

PROVINCIAL GOVERNMENT OBJECTIONS TO ATTENDANCE OF LEADERS OF OPPOSITION PARTIES AS OBSERVERS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Acting Prime Minister whether any provincial government has objected to a leader of an opposition party attending these sessions as an observer?

[Mr. Sharp.]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not know the answer to that question.

ALTERNATIVE DATE IN EVENT OF POSSIBLE PROVINCIAL ELECTIONS

Mr. John Burton (Regina East): Mr. Speaker, I should like to ask the Acting Prime Minister if the government has had any discussions with the provinces concerning an alternative date for the conference in the event that one or more of the provinces calls a provincial election between now and June 4?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. The federal government is proceeding to prepare for the date that has been agreed upon.

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PENITENTIARIES

KINGSTON RIOT—ALLEGED BEATINGS AT MILLHAVEN—PUBLICATION OF INQUIRY REPORT—REQUEST FOR COMMITTEE INVESTIGATION OF MINISTER'S ACTIONS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Solicitor General arising out of the inquiry into the Kingston penitentiary riot and the alleged beating of prisoners who were moved to Millhaven. Since the inquiry began yesterday and is to be held behind closed doors and since Members of Parliament and the public are interested in knowing the outcome of this inquiry, is the minister now prepared to agree to make public the report of that inquiry when it is placed in his hands?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, after receiving the report and considering it, I will surely make a statement. The recommendations made by the committee should be drawn to the attention of the people. As for the contents of the report, I have read today the statement of the chairman of the inquiry committee to the effect that some evidence would perhaps not be given except under the seal of secrecy. In my opinion, the judgment is valid and if it applies to the chairman of the committee it should also apply to me.

[*English*]

Mr. Douglas: Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. In view of the statement of Professor Desmond Morton, who was a member of the five-man citizens' committee that acted as a go-between during the Kingston riot, to the effect that "I put the blame on Goyer", and in view of his contention that the refusal of the Solicitor General to guarantee the prisoners that they would not be mistreated was the prime cause of the sad ending to this riot, would the government be prepared to refer this entire matter to the Standing Committee on Justice and Legal Affairs, since the inquiry headed by John Swackhammer does not have terms of reference that would call in question the competency of the minister himself?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. I do not accept that statement as a correct statement of the part played by the Solicitor General.

Mr. Douglas: Since the inquiry will deal only with the incidents in the two penitentiaries and not with the handling of the situation by the Solicitor General, does the government intend to make any inquiry into the conduct of the minister which, according to Professor Desmond Morton, brought such sad and dangerous results?

Mr. Sharp: Mr. Speaker, quite naturally the Solicitor General will be reporting to his colleagues.

Mr. Baldwin: Will there by any observers when that happens?

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[*Translation*]

POST OFFICE

COMPLAINT RESPECTING DELAY IN DELIVERY OF FIRST CLASS MAIL

Mr. René Matte (Champlain): Mr. Speaker, I want to direct a question to the Minister without Portfolio responsible for the Post Office.

Has he received, or does he still receive, complaints about delays in the delivery of first class mail which takes sometimes seven to ten days to reach its destination?

Hon. Jean-Pierre Côté (Minister without Portfolio): Not of this nature, Mr. Speaker.

Mr. Matte: Mr. Speaker, does the minister intend to take soon the necessary action in order to restore the postal service to its former efficiency?

Mr. Côté (Longueuil): Yes, Mr. Speaker.

* * *

[*English*]

INCOME TAX

REQUEST FOR REMOVAL OF EXEMPTION GRANTED UNITED STATES PROFESSORS AT CANADIAN UNIVERSITIES

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. At this time of year convocations are being held across the country at various universities and one subject of strong argument is the fact that under arrangements with the United States American professors who come to Canada for two years are exempt from income tax. The result is that Canadian PhDs find themselves unable to secure positions. Although the agreement is reciprocal, it only works one way—Americans come to Canada. In order to ensure that Canadians with PhDs stay in Canada and help to build Canada, would the government do away with this provision at once?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, perhaps on the technical point the Minister of National Revenue might answer.

Inquiries of the Ministry

Hon. Herb Gray (Minister of National Revenue): Mr. Speaker, as the House knows, we have tax treaties with a number of countries calling for reciprocal tax arrangements for professors who come for a limited period and return to their own countries. If I am not mistaken, the government proposed in its white paper on tax reform the renegotiating of these treaties to eliminate this particular concession.

Mr. Diefenbaker: The white paper, I thought, had died a natural death until the minister disinterred it. I ask him why it is that under this particular arrangement, which I do not believe is in the form of a treaty, we are not assured that at the end of two years Americans who come to Canada must return to their own country instead of staying in Canada and thereby creating an impossible employment position for Canadians?

Mr. Gray: Mr. Speaker, if I am not mistaken, the arrangements do not call for the return of the professors to their own country. Rather, if they remain, they become subject to the ordinary income tax laws. If I am not correct in this I will so inform the House. In any event, this matter is to be dealt with when next there is a budget presentation before the House.

Mr. Diefenbaker: Then it will be dealt with in the budget?

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AGRICULTURE

INTERPROVINCIAL MARKETING—CONSTITUTIONAL AMENDMENT TO ENFORCE SECTION 121 OF BRITISH NORTH AMERICA ACT

Mr. Cliff Downey (Battle River): Mr. Speaker, may I direct a question to the Acting Prime Minister. In light of the admission by the Prime Minister last Monday that Bill C-176 may not constitutionally be able to resolve the chicken and egg war, and in order to clarify the motives behind C-176, is the government going to present, along with other constitutional proposals, a constitutional amendment to enforce the spirit as well as the letter of section 121 of the British North America Act?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is not impossible that some such proposals might be put before the constitutional conference. At the present time it is not contemplated that the division of powers will be a main subject for consideration. The question of bringing our constitution to Canada so that it can be amended in ways that might overcome these problems is our first concern.

Mr. Speaker: The hon. member for Battle River on a supplementary.

Mr. Woolliams: Mr. Speaker, are we to—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Battle River.

Mr. Downey: Has the government canvassed the provinces on this matter or is the government or any province

opposed to a constitutional solution to the balkanization caused by the chicken and egg war?

Mr. Baldwin: They do not even recognize it.

Mr. Sharp: Mr. Speaker, this is an extremely difficult constitutional issue and I hope that the House, in order to advance consideration of this particular problem, if not the constitutional issue, will proceed with the bill now before the House.

Some hon. Members: Hear, hear!

INTERPROVINCIAL MARKETING—GOVERNMENT POLICY RESPECTING FREE TRADE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I am sorry I interrupted the hon. member for Battle River. I had not heard you recognizing him. I direct my supplementary question to the Acting Prime Minister. Is he suggesting that it is the policy of this government to recommend a constitutional change so as to do away with free trade between the provinces of Canada and undermine confederation?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as the hon. gentleman knows, there are provisions in the constitution today dealing with trade between the provinces.

Mr. Diefenbaker: Unenforced by the government.

Mr. Sharp: As he knows, some problems have arisen as a result of various provincial enactments. It is our purpose in the bill that is before the House to try to deal with the real problems rather than to engage in the much more difficult problem of constitutional reform. I hope the hon. member understands the priorities.

Mr. Baldwin: The problem sits next to the minister.

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ROYAL CANADIAN MOUNTED POLICE

ALLEGED USE OF ELECTRONIC EAVESDROPPING DEVICES AT MEETING OF MOVEMENT FOR DEFENCE OF POLITICAL PRISONERS

Mr. David Orlikow (Winnipeg North): My question is for the Solicitor General. Has the minister investigated the allegations that electronic eavesdropping devices were employed last Saturday at a meeting held in Montreal by the Movement for the Defence of Political Prisoners?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): No, Mr. Speaker, I am not aware of that.

[*English*]

Mr. Orlikow: Will the minister investigate the allegations that the RCMP were involved in such an operation, report to the House if this is so and, if so, whether it was authorized by the department?

[Mr. Downey.]

[*Translation*]

Mr. Goyer: Mr. Speaker, I am not aware of that and I have not received any such information from people who might be interested.

[*English*]

[*Later:*]

USE OF RADIO BANDS FOR TRANSMISSION OF LISTENING DEVICE SIGNALS

Mr. Mark Rose (Fraser Valley West): I wish to direct a supplementary question to the Minister of Transport. Has any police department, in particular the RCMP, ever requested permission from the Department of Transport to employ specific radio bands for the transmission of signals from listening devices?

Mr. Speaker: This seems to be a rather general question which might be placed on the order paper. If there is an aspect of urgency about it, it can be considered at the time of adjournment.

Mr. Rose: Perhaps I could rephrase the question. Has the Department of Transport set aside any specific radio bands for such purposes?

Hon. Donald C. Jamieson (Minister of Transport): I will take the question as notice and get an answer as soon as I can.

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NATIONAL DEFENCE

ALLEGED REFLECTION ON CANADIAN ARMED FORCES BY PRIME MINISTER

Mr. J. M. Forrestall (Dartmouth-Halifax East): I wish to direct my question to the Acting Prime Minister. I preface it by saying that I am sure the Prime Minister did not intend to say what he did on television on Sunday night. As his remarks left a very clear implication, does the Prime Minister's office intend to make some form of apology to the Canadian Armed Forces for having compared them with the state militia at Ken State University?

Mr. Speaker: Order, please.

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TRADE

ACTION TO RESTORE COMPETITIVE POSITION OF EXPORT INDUSTRIES

Hon. George Hees (Prince Edward-Hastings): My question is for the Minister of Industry, Trade and Commerce. In view of the statement made by the Prime Minister on the television program "Weekend" on Sunday night that said "the Canadian dollar is so strong indeed that it is hurting our export trade because more people are finding it cheaper to import goods and more difficult to sell them abroad", is the minister going to take specific action or introduce specific measures to restore the former competitive position of, particularly, labour-intensive export industries?

Mr. Speaker: Order, please. I have the impression the hon. member asked this question yesterday. He may say he asked it of a different minister. I wonder whether it would be in order for the hon. member to ask the same question on different days of different ministers. The hon. member having asked the question perhaps the minister might reply briefly.

Mr. Hees: On a point of order, Mr. Speaker, yesterday the Minister of Finance said it was impossible for him to answer the question. I have therefore directed it to the appropriate minister. Might I have a reply?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, we regularly introduce programs to increase exports. More recently, for example, we now have a new program to share in precontractual bidding efforts by Canadian exporters. The Export Development Corporation is more active now than it has ever been in history—$200 million worth of financing up to this time. Exports are increasing by about 2 per cent on top of last year's 13 per cent.

Mr. Speaker: Order, please.

Mr. Hees: As the minister obviously intends to take no action whatsoever, I wish to ask him a supplementary question. Is the minister aware of the letter sent to the Minister of Finance on March 24 by the chairman of the Canadian Exporters Association outlining in detail the steps necessary to restore the former competitive position of Canadian exporters and put them on the same footing as their foreign competitors? I feel sure that the minister does not know anything about it because this cabinet does not communicate. I will send it across and let him have it.

Mr. Speaker: Order, please.

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TRANSPORT

REPLACEMENT FOR STRAIT OF BELLE ISLE FERRY

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): My question is for the Minister of Transport. No doubt the minister has heard the news of the burning yesterday of the replacement for the Strait of Belle Isle ferry. What plans does the minister have to find a further replacement?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it is unfortunate that the replacement vessel that had been planned for that particular service did in fact go aground and burn. We have had to start from square one to try and find a replacement. Along with the operator, we are in the process of doing that right now.

Mr. Peddle: In view of the fact that the *Fredrick Blair* which burned yesterday would have been no more suitable than the *Avalon Voyageur* which was condemned last week, will the efforts to obtain a further replacement be directed toward a larger, more suitable craft for this dangerous crossing?

Mr. Jamieson: In view of the fact that the hon. member appears to be such an expert on the matter of hulls and their safety, I would be delighted to hear any recommendations he has with regard to a replacement vessel. If the hon. member knows of a vessel or can help us in the search for one that is better, I can assure him we will make use of this information.

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POWER

PROPOSED DAM ON SKAGIT RIVER—DISCUSSIONS WITH UNITED STATES IN ADDITION TO INTERNATIONAL JOINT COMMISSION REFERENCE

Mr. Thomas S. Barnett (Comox-Alberni): I direct my question to either the Minister of Fisheries and Forestry or the Secretary of State for External Affairs. I will let the Acting Prime Minister decide who should answer. In view of the fact that the reference to the International Joint Commission with regard to the question of the Ross dam in the Skagit Valley, with hearings starting on June 4 in Vancouver, appears to limit the question as to what may be the result of building the dam rather than including the more basic question of whether the dam should be built, can either minister inform the House whether the government has under way with the United States any other initiatives or discussions with reference to this more basic question as to the advisability of building the dam at all?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, there are no other initiatives at the moment. This entire subject is before the International Joint Commission. We expect recommendations from that body this fall.

Mr. Barnett: After the completion of the hearings, does the government intend to follow up the question of negotiating for release from any obligation it may be considered Canada has with regard to allowing the construction of the Ross dam?

Mr. Davis: The staffs of several departments, including the staff of the Department of Fisheries and Forestry, are available to the International Joint Commission. I am sure it will be directing various studies to be made on different aspects of this development, including the legal aspect.

BAY OF FUNDY TIDES—DISCUSSIONS WITH NOVA SCOTIA PREMIER—ASSISTANCE IN DEVELOPMENT IN EVENT OF SALE

Mr. Lloyd R. Crouse (South Shore): My question is for the Acting Prime Minister in his capacity as Secretary of State for External Affairs. Were any discussions held between the federal government and the premier of Nova Scotia prior to his visit to New York today for talks with interested Americans on the possibility of financing the development of electrical energy from the Fundy tides? If so, will the minister indicate whether federal assistance will be made available for the development of

Fundy power in the event the sale of this power can be agreed upon between our two countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): I would like to take notice of that question, Mr. Speaker.

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[*Translation*]

INCOME TAX

APPLICATION OF CARTER REPORT RECOMMENDATIONS

Mr. Henry Latulippe (Compton): Mr. Speaker, I should like to put a question to the Minister of Energy, Mines and Resources.

The minister stated lately that several large companies have no financial difficulty and hardly pay any income tax and that 70 per cent of taxes are paid by individuals who earn less than $7,000 a year. Would the minister inform the House whether he will use his influence with the responsible bodies to request the implementation of the Carter report recommendations or whether he would have other proposals to make to the government?

[*English*]

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I feel certain that the government's tax measures will be forthcoming at the time of the budget as announced by the Minister of Finance and at the time the ultimate tax bill is presented to the House.

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FISHERIES

TREATMENT OF UNITED STATES RIVERS FLOWING INTO GREAT LAKES WITH LAMPRICIDE

Mr. P. V. Noble (Grey-Simcoe): Mr. Speaker, I should like to direct this question to the Minister of Fisheries and Forestry. In reply to a question I asked about lamprey control on the Great Lakes it was outlined to me what action would be taken on the Canadian side of the lakes. Can the minister indicate whether the same efforts are being made in regard to the lamprey infested streams and rivers of the United States?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I understand that this is the case. An equivalent amount of money is voted by both governments each year. However, I will have to look into this matter and reply later in some detail.

ATTEMPT BY UNITED STATES COASTGUARD TO ARREST CANADIAN FISHING VESSEL IN HECATE STRAIT

Mr. Paul St. Pierre (Coast Chilcotin): Mr. Speaker, my question is either for the Minister of Fisheries and Forestry or the Secretary of State for External Affairs. What attitude and action is the Canadian government taking as the result of an attempt by a United States coastguard vessel to arrest a Canadian fishing boat in Canadian waters in Hecate Strait? *Anthony J* is the name of the boat.

[Mr. Crouse.]

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, Department of Fisheries officials on the west coast have stated in no uncertain terms that the Canadian vessel was in Canadian waters, and representations are being made through the Department of External Affairs to this effect.

Mr. St. Pierre: Will Canadian boats continue to operate in these waters, and have instructions been given to them to continue operating within our area?

Mr. Davis: Yes, Mr. Speaker.

PROPOSAL OF FURTHER QUOTA LIMITATION ON HADDOCK, HERRING AND YELLOWTAIL AT ICNAF MEETING

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a related question for the Minister of Fisheries and Forestry. Since foreign over fishing has caused a serious decline in stocks of herring and yellowtail, as well as haddock which has failed to have a good spawning year for the sixth consecutive year despite an international quota and the closure of Georges Bank, is it the intention of the minister to propose a further quota limitation on haddock, herring and yellowtail at ICNAF's annual meeting to be held in Halifax this June?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the principal purpose of the meeting of the 14 North Atlantic nations at Halifax next week is to consider conservation measures of that kind.

CONSERVATION OF MARINE RESOURCES—DISCUSSION BY PRIME MINISTER WITH GOVERNMENT OF SOVIET UNION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary question. May I ask the Acting Prime Minister whether the question of the conservation of marine resources will be discussed during the Prime Minister's current visit to the Soviet Union?

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker, it is my understanding, and it has been confirmed by the Minister of Fisheries, that this is one of the items on the agenda.

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CORPORATE AFFAIRS

REORGANIZATION OF RIDEAU-CARLETON RACEWAY—ROLE PLAYED BY TRUSTEE AND MESSRS. ARMSTRONG AND FASKEN

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. Last week I asked the minister whether he would conduct an investigation into the reorganization of the Rideau-Carleton Raceway to see if any skulduggery was taking place, and the minister said he would undertake such an investigation and report back to the House. I wonder whether the minister has done so and will he now reply to my question?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, without accepting the hypothesis of the question, I believe the hon. member has been informed—if not, he is now informed—that as a result of his question an investigation is being conducted to ensure that the Bankruptcy Act and all its provisions have been observed.

Mr. Broadbent: No, I had not been informed, but to clarify what the minister has just said can he inform the House whether or not the Royal Canadian Mounted Police are involved in this investigation?

Mr. Basford: That would be quite improper, Mr. Speaker.

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YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—EXTENSION OF FINAL DATE FOR APPROVAL OF PROJECTS

Mr. R. N. Thompson (Red Deer): Mr. Speaker, in the absence of the Secretary of State I will direct my question to the Acting Prime Minister. I believe that May 15 was the cut-off date for approved projects under the Opportunities for Youth program. In view of the list that was circulated today which was seemingly inconclusive, are there more projects to be announced or is the date being extended still further?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will refer the question to the Secretary of State and have an answer tomorrow.

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NATIONAL DEFENCE

ALLEGED REFLECTION ON CANADIAN ARMED FORCES BY PRIME MINISTER

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, may I put a question supplementary to the one I attempted to ask previously or perhaps rephrase it. Again I address my question to the Acting Prime Minister or the Minister of National Defence. A very clear implication was left by the Prime Minister on the television program, "Weekend", prior to his departure—it was a sort of state of the union address—that the Canadian Armed Forces could not be trusted in the streets of Montreal without the over-all blanket of the War Measures Act. I wonder whether the Minister of National Defence would make some comment so as not to leave the Canadian Armed Forces at the level of assumed professionalism on a par with United States national guard units?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not think that any reasonable non-partisan person would draw any such inference from what the Prime Minister said, and if the hon. gentleman is one of the exceptions to the rule I can put his mind at rest.

Inquiries of the Ministry

PUBLIC SERVICE

ROLE OF TREASURY BOARD IN INVESTIGATING USE OF DELEGATED HIRING AUTHORITY

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the President of the Treasury Board. On May 7 I asked him in the House whether he would inquire into the basis of the concern expressed by the Public Service Commission over the manner in which delegated hiring authority is being used and the minister assured me that Treasury Board was investigating the matter. As the delegation of staffing authority is the sole prerogative of the independent Public Service Commission, as specified in the Public Service Employment Act, why is Treasury Board investigating this matter since it is not responsible for the administration of the Public Service Employment Act?

Mr. Speaker: I must indicate to the hon. member that in my opinion this is perhaps an argument more than a question. However, the minister might want to reply briefly and might be allowed to do so.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, the hon. member has indeed made a very good point. Responsibility for staffing and appointments to the Public Service lies with the Public Service Commission. However, Treasury Board is responsible for over-all personnel policy within the government service, and it is in this respect that Treasury Board is looking into the matter, merely to ensure that in fact the over-all policy is sound. But as the hon. member pointed out, the specific question is the responsibility of the Public Service Commission.

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VETERANS AFFAIRS

REVIEW OF PERMISSIBLE INCOME CEILINGS AND ANCILLARY BENEFIT REGULATIONS UNDER WAR VETERANS ALLOWANCE ACT

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Veterans Affairs. In view of the fact that in a number of provinces the ceilings on income that may be obtained under social assistance legislation are higher than the ceilings on permissible income under the War Veterans Allowance Act, will the government review the matter of these ceilings so that as far as possible veterans might be provided for under their own legislation?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): This is the case, Mr. Speaker, especially in British Columbia. At the present time we are reviewing the situation. As the hon. member knows, we increased war veterans allowances by 15 per cent in April. British Columbia, as the hon. member stated, has also increased its social assistance, so we are reviewing the situation.

Mr. Knowles (Winnipeg North Centre): I have a supplementary question, Mr. Speaker. Will the department also review the regulations under the War Veterans Allow-

ance Act, especially those that deal with ancillary benefits made available to veterans who are forced to relinquish their rights under the War Veterans Allowance Act for other reasons?

Mr. Dubé: Mr. Speaker, these regulations are always under review and we try to adapt them to changing circumstances.

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MANPOWER

QUEBEC CLAIM RESPECTING CONTROL—CONSIDERATION AT FEDERAL-PROVINCIAL CONFERENCE

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I should like to direct a question to the Acting Prime Minister. Is the Acting Prime Minister going to make a statement on the demand made by a minister of Quebec for total provincial control in the area of labour and manpower, and is it the intention of the government to place this very important matter on the agenda of the upcoming conference?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this question of manpower and manpower offices is a problem that concerns not only relations between Quebec and Ottawa but relations between the provincial governments and the federal government generally. What we are trying to do is to work out arrangements between the provincial and federal authorities to the advantage of the people of Canada in the various provinces. This matter is being discussed in connection with the constitutional review.

Mr. Alexander: In light of the Quebec minister's statement about inflation being a federal responsibility, is the government considering evolving labour and manpower powers to give complete federal jurisdiction in areas of compulsory wage and price controls?

Mr. Sharp: Mr. Speaker, I am not aware of any areas of compulsory wage and price controls.

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[*Translation*]

COMMUNICATIONS

AGRICULTURE—DELAY IN ISSUING BARBER COMMISSION FINAL REPORT TO FRENCH PRESS

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask the Minister of Agriculture a question.

Since I heard at noon that the English-speaking media were able to get the report of the Royal Commission on Farm Machinery this morning at ten o'clock, could the minister tell the House why the French-speaking press had to wait till two o'clock this afternoon to get it?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, copies of the Barber commission report in both languages were available at ten o'clock this morning. Of course, if they were to receive it prior to the report being released in the House they had to submit to the usual condition of keeping it confidential until 2.30 today.

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AIRPORTS

TORONTO INTERNATIONAL—METHOD OF LETTING CONTRACTS FOR SKYCAP SERVICES

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a question for the Minister of Transport. In view of the report that a United States firm has displaced a Canadian-owned company at the international airport at Toronto, involving the majority of airport skycaps, would he indicate the method by which such contracts are let?

Mr. Speaker: Order, please. I doubt whether the question as asked is in order. Perhaps it might be considered at the time of adjournment.

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PRICES AND INCOMES COMMISSION

INQUIRY AS TO TERMINATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. In view of the obvious failure of government policies regarding both unemployment and inflation, is the government now considering—

Mr. Speaker: Order, please. Would the hon. member ask a question? He knows he cannot preface a question with a statement of the kind he has just made. I must remind hon. members that we are running short of time.

Mr. Nystrom: Mr. Speaker, in view of some government difficulties in economic matters is the government now considering discontinuing the Prices and Incomes Commission?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): No, Mr. Speaker.

Mr. Speaker: Orders of the day.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order. I think you will find, as a result of discussions which have taken place, that there is general agreement regarding the length of speeches during today's debate. The agreement is that the principal speaker for each party will have 30 minutes, but that all others limit themselves to 15 minutes, and that no one will ask for overtime.

Mr. Speaker: Is that agreed?

Some hon. Members: Agreed.

Mr. Speaker: It will be so ordered.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—REQUEST FOR ECONOMIC MEASURES, PLANNED INVESTMENT AND FOREIGN OWNERSHIP POLICIES TO ACHIEVE HIGH EMPLOYMENT THROUGH DEVELOPMENT OF SECONDARY MANUFACTURING

Mr. Max Saltsman (Waterloo) moved:

That this House calls upon the government to adopt immediate emergency economic measures to move the economy to high employment through special programs and more expansionary monetary and fiscal policies, and also to achieve full potential growth through a planned investment and foreign ownership policy and to stimulate the development of secondary manufacturing as the only way of providing the necessary employment opportunities for the hundreds of thousands of Canadians who enter the work force every year.

He said: Mr. Speaker, the importance of taking this day to focus attention on the matter of unemployment is emphasized by the fact that, in spite of all the assurances we have received from the Minister of Finance (Mr. Benson) that the situation was improving, the latest figures show there has been a serious regression. Even on the basis of the figures issued prior to that it was quite obvious the economy was not making the kind of progress necessary.

We are strongly of the opinion that the Minister of Finance does not know what he is doing, that his government has no real policy for curing unemployment and that the minister has been walking over this economy with all the wisdom and grace of a demented, trampling hippopotamus. The Economic Council of Canada has pointed out in numerous statements that even with a steady increase in stimulus from the government, it would take almost four years to restore the economy to where it was. If we are going to get full employment, a far greater stimulus than that now being provided by the government will have to be provided.

Stimulating the economy will cause certain problems and I will deal with them later. If we are to overcome what I think is a serious problem we can do nothing less than bring in emergency economic measures. I am sure everyone in this country, including government members who either do not know what to do or refuse to do anything, will acknowledge that it is a serious problem.

Why are we so concerned about unemployment? Obviously, we are concerned for the people who are involved and about the dislocation, the cost to human life and the loss of wealth which has taken place in our economy. It is estimated we have lost between $3 billion and $5 billion in gross national product as a result of the high level of unemployment each year. Furthermore, we are not going to solve the basic problems facing this country if we continue to have present levels of unemployment. There are other enemies to national unity in this country besides the FLQ. At the moment, the greatest enemy is a government which brings in unemployment policies.

The problems of Quebec cannot be solved by implementation of the War Measures Act. These problems must ultimately be solved by a government which is

able to persuade the people of Quebec that they have a worth while stake in this country, and there exists a federal government which is cognizant of their problems. It may be that even with the best economic policies we will not solve these problems. On thing is certain. Unless we make an effort to get rid of unemployment in Canada, and the situation that exists in the province of Quebec, we do not have a hope in the world of doing anything about other problems facing Canadians today. It is imperative that we do something about unemployment. If the price of correcting unemployment is an increase in inflationary tendencies in this country, then I suggest to the Minister of Finance and this House this is the kind of price we must pay. There is really not much of a choice, the breaking up of the country or a somewhat higher rate of inflation than we have experienced.

There are other problems we have to solve. It is obvious the government is developing a policy of moving people off the farms. The government is spending a few hundred dollars to compensate each farmer. I am not convinced this is a desirable policy, but if the government feels some of this dislocation is necessary for the sake of long-term interest in agriculture, then the government has the enormous obligation of providing adequate compensation to the farmers affected. It cannot do that unless we keep the economy rolling.

This is an area in which the interests of the farmers and the interests of industrial workers are similar. If we are going to make payments available to farmers and develop programs to help them, this can only be done on the basis of national prosperity. We will not have national prosperity in a climate of high unemployment and in which billions of dollars in production are being lost. We cannot tackle the problem of poverty in this type of atmosphere. We cannot tackle the problems of economic independence while we are totally preoccupied in slowing down the economy, which has been the government's policy.

The government has slipped very badly in the last two years. It was slipping even before then, but its decline has been more rapid in that period of time. Canada now occupies fourth place in the world in terms of per capita income. Our position has been surpassed by Sweden and Switzerland, and we are well on our way to becoming fifth or sixth. This is not a record in which any government could take pride.

The Prime Minister (Mr. Trudeau) has been playing a strange little game. The keeper of that zoo over there has been aware of the clumsiness of the government. He does not mind everyone being stepped on. He says, we are stepping on you so we will not be stepping on you. In other words, we are creating unemployment so there will not be unemployment. Those of us on this side of the House could perhaps be forgiven for not being able to see the logic of the kind of argument in which the government says, "We are throwing you out of work so that you will not be out of work". It is as though the creation of unemployment today will stop unemployment in the future. This is not something any reasonable person can accept. Not even the Prime Minister of this country, with his swinging charm and new Sir Wilfred Laurier haircut,

can obscure the intellectual dishonesty and ill conceived arrogance of this government and of his personal policies in this matter. It is not right for a Prime Minister to make this kind of odious comparison when he talks about unemployment and inflation. He says we are facing the kind of dangers that we faced between the world wars and, then tries to say that the situation in Canada is similar to the situation in countries like Germany where inflation was so rampant that it virtually destroyed that country. If he knows any history at all, he ignores the fact that it was government policy that brought about that situation. The analogy is totally false.

• (3:10 p.m.)

We had a similar analogy in respect of Biafra when the Prime Minister compared that situation with Stalingrad. He goes on making comparisons in his charming way in the hope that people might believe him. However, no one with an ounce of sense will accept the kind of comparisons the Prime Minister has been making. He is not satisfied with that. He has gone on to falsify the position of the opposition. He has gone on to say, "Well, what is the level of unemployment?". He asks what we mean by full employment and whether it is 3 per cent, 3½ per cent or 4 per cent. He says that one member of the NDP gave a figure of 4 per cent and another gave a figure of 3½ per cent. This is simply not true. Nowhere does the suggestion appear that that is the kind of unemployment the opposition would like to see in this country. He takes things and distorts them to suit his own purpose. This does not further the basic debate we must have.

This is not the first time, Mr. Speaker, Canada has experienced high levels of unemployment. This government did not invent unemployment. During the depression in the 1930's we had an even higher level of unemployment than at present. To some extent we might excuse those years by saying there was a certain amount of ignorance or that that was the pre-Keynesian era in which the people did not really understand how to stimulate the economy and did not know what to do with it. Every country in the world lacked that kind of knowledge. Then, we had another period ten years ago when there were higher levels of unemployment. I believe it is quite obvious that at that time we had government policies which were bungling and incompetent. Never to my knowledge, however, have we had a government that managed to be all these things, ignorant, incompetent, dishonest and arrogant at the same time. There is no excuse for this. There is no excuse for the kind of position this government is taking.

The members of this government never listened. It is not that information has not been available to them, and it is not that they had the support of the experts in the field for their position. They have been told repeatedly that the kind of policies they have brought in would not work. Perhaps they have been listening, but if they have they have obviously been listening to the wrong people, such as government advisers who are out of touch with events and who have acquired their own arrogance from being around too long. Perhaps in their insensitivity they have listened to the exporters of Canada, who are concerned not about prosperity in this country but about markets outside of Canada. Some men within the government have shown some courage. A little while ago we had the resignation of the hon. member for Trinity (Mr. Hellyer) who could no longer stomach the government's policies. This was a resignation based on economic policies. More recently the hon. member for Duvernay (Mr. Kierans) had to walk out of the cabinet in the hope that he could perhaps more effectively do something for his country outside the cabinet rather than inside that particular government.

It is a sad commentary in respect of the people holding power when two of their foremost cabinet ministers have to leave because they feel helpless within the framework of a government which has the power to do things but which frustrates the efforts of its own people. It is not without significance that both these men are business people with considerable business experience. They are not radicals; they are not academics; they are not people without some knowledge of what goes on in the economy. They have to carry their views to the people outside government. Unfortunately, I do not believe their efforts will meet with much success because there is a special characteristic in being a Liberal. Even if one parts company with the government over a very serious measure, there is a tendency to always maintain politeness because one must never forget that the Liberals are the establishment and one must never get them too angry even if one finds that he cannot agree with them any more. We have seen cabinet ministers walk out of other governments with blood on their hands because their anger had no limit, but not in the case of Liberals. They always walk out after having given the matter very careful consideration. They know that doors will be closed if they say too many incautious things. Even given that situation, it is obvious that some of them had to leave.

I would hope there will be others on the benches opposite who will rise and support our position. This morning in the Committee on Finance, Trade and Economic Affairs I happened to look at a very interesting brief presented by one of the district Liberal associations. I was delighted to see they have been reading our convention papers. This brief was directed at the Canada Development Corporation, and was extremely critical of the government's program, particularly of the level of unemployment it has created. I know there are Liberal associations and Liberal associations, some of which are intelligent and some of which are not intelligent. I wonder why the government always listens to the ones that are not intelligent. The government has a few people who have a certain amount of brains and enough intelligence to look around, find some ideas and listen with an open mind on these matters. It is not too late to take some action. We can still act. There are many options open. Fortunately, we live in a country which is so resillient that even the determined efforts of the Minister of Finance (Mr. Benson) are not sufficient to kill it.

At this time, however, we cannot beat unemployment, improve and humanize our society by the traditional tools of monetary policy. The minister says he has eased off on the monetary policy, that interest rates are declining and that he has expanded the money supply. He should go further and make funds available to municipalities and businesses in addition to stepping up federal programs. There are so many things we could do. We could make money available for pollution control and the improvement of municipal services. We could make funds available for conservation and dams, for the creation of parkland and recreation facilities as well as senior citizens homes and low-income housing. Then, we might make funds available for the establishment of public ownership of land in order to control speculation.

• (3:20 p.m.)

If a municipality wants to control speculation or if a province wants to do this, the federal government's role should be to make the money available. We can establish and improve facilities for the handicapped and for day care centres so that women can move more freely in this world and more freely choose the kind of role they want to play in our society. We do not have enough clinics and hospitals. We should be doing experiments in education, particularly for the handicapped people, and also in the area of public transportation. The encouragement of its use is wide open. There are so many things that need to be done, and by doing them now we can also stimulate the economy. The minister will probably put the tag "spend our way to prosperity" on this suggestion. What is so terrible about spending our way to prosperity? We have done it before. Some countries have spent their way to prosperity by giving money away in foreign aid. It is not a new concept, and at this time it is important that we think in those terms.

The federal government could increase consumer purchasing power by increasing old age pensions and in this way it would redeem itself from its niggardly approach to the elderly. We should be increasing the income tax exemptions of people in the lower income brackets, $2,000 for single people and $4,000 for married people. We should be giving more grants to medical research The list is long. There is no limit to what we can do if we choose to do it. The question arises: are we not going to go off into an inflationary spiral if we do that? Yes, we could, if we did not take some imaginative action. I think we have to be very concerned about understanding what happens under an expansionary policy. But there are measures we can take, and in my view the public is prepared to accept new measures.

At the moment we have unemployment and inflation at the same time. Despite the rather limited success that the government had for a few months in holding down the cost of living, it is now climbing rapidly again. We have kicked away enormous advantages. We have thrown people out of work, we have virtually wrecked the economy for the small advantage of being able to show a marginal success with the rate of inflation. But that is over now, and it is increasing. In my view we need a prices review board to examine price increases as they take place, and then to take measures against them. There are many things we can do short of price control. In some cases we should not be afraid to use some collective price controls. I am not at all convinced that they will not work and that they should not be tried in some areas. We should be dealing specifically with some economic bottlenecks which occur from time to time instead of doing a hatchet job on the whole economy. In some areas there is excessive bargaining power, and we should be dealing with it.

The very fact that we have floated our dollar is a kind of safety valve, as the Minister of Finance (Mr. Benson) well knows, because should inflation in Canada be somewhat greater than it is in other countries, it will be reflected in the level of our dollar. At the moment there is an equalization effect taking place. Because we are holding down our inflation rate somewhat below that of other countries, our dollar has crept up and this has created unemployment in our secondary manufacturing industries. This has made it more difficult for them to recover. So there is a kind of balance in the floating dollar that is very valuable. We should be using the opportunity of full employment to do the many things that are necessary in this country.

One of the things that has to be done—and I think the hon. member for Duvernay (Mr. Kierans) did this country a service in pointing this out—is to stop providing special concessions to the mining and resource industries because that will surely destroy our economy if we continue. When the Minister of Finance brought in the original white paper he was prepared to move against the mining companies, although not as strongly as the Carter Commission had recommended. He was prepared to remove some of their special privileges. However, he lost courage very quickly and has virtually given back all the concessions they had. The evidence is quite clear. They do not pull their weight and they do not pay their fair share of taxes. They may very well be inhibiting the development of Canadian secondary industries because of the vast quantities of capital that are required in their operations. It is very interesting to note the DBS figures which show that it costs at least $100,000 in capital to create one job in a resource industry as against a figure of perhaps one quarter that amount to create a job in a secondary manufacturing industry.

In a country that has almost 300,000 new entrants into its labour force every year, it is not possible to provide sufficient employment for all the people in this country if we continue to emphasize and to encourage the resource industry in Canada. There are special cases where resource industries do provide benefits, and I think where necessary we should assist them. But the kind of blanket over-all assumption that we have made that the resource industry is good for this country and that the more we tear out of our earth and ship away to some other country the better off we will be is not a valid assumption and can no longer be sustained. This is one of the things that the government will have to examine and one of the things about which we will be very concerned when we examine the white paper.

There will be others who will have something to say in this debate, and the deep concern that is felt on this side of the House about the level of unemployment will surely be made obvious to the government, to the front benches as well as to the back benches. We have an opportunity to correct the situation. I know that the Minister of Finance will wish to intervene in this debate. I hope that when he does he will not give us his platitudes and his excuses, but rather will make an announcement that the government intends to correct the terrible tragedy they have foisted on the Canadian people.

Hon. E. J. Benson (Minister of Finance): I have listened with great interest to the hon. member for Waterloo (Mr. Saltsman) and I heard him assert that the economy is wrecked. I think that many other countries in the world would like to have an economy that is wrecked the way the Canadian economy is wrecked. He brought forward a great many suggestions. I thought that in view of his motion he would bring forward new or unique suggestions on ways in which the problem of unemployment in Canada, which I admit is a very serious one, could be solved in the short run. He has not done this. He gave us the same old line that we should spend a lot more money and at the same time cut taxes, as well as aid old age pensioners. I do not particularly like his derogatory remarks with regard to old age pensions. If you take a look at the increase in the GIS that is taking place this month you will see that it is well worth while limiting the general old age pension in order to aid those who need it the most.

The hon. member spoke about a prices review board and said we should do something about controlling people's bargaining power where it is excessive. I would like to ask him how he proposes that we do this. He has indicated that we should not worry about our resource industries in Canada. With that I cannot agree. We have to worry about our manufacturing industries. We also need to worry about development of our resource industries, the basic industries in this country.

• (3:30 p.m.)

In the budget which I introduced in the House last December, I expressed my belief that the Canadian economy would continue to expand at an accelerating pace in the months ahead, as a result of the fiscal and monetary stimulus progressively injected into the system over the course of the last year. But at the very outset, I pointed out that there might be month to month fluctuations from the improving employment trend.

At the same time I warned that the road to recovery would not be an easy one, and promised the House that the government was prepared to adopt further measures without delay if they were required to ensure the healthy growth of the economy. As I pointed out in the budget speech:

> In saying this I have in mind not only progress toward full employment but also continued satisfactory price performance. If we do not achieve the restraint of prices and costs that we must have we shall not shirk from action that may be required on that front.

Since the budget was brought down six months ago, we have continued to maintain the closest possible watch on the course of economic developments. On the whole, these developments have been highly favourable, but as usual the picture is not without its trouble spots.

Over the past four months there has been a significant rise in the cost of consumer goods and services. Some acceleration in the rate of increase of the consumer price index during the early months of 1971 was to be expected. There is, for example, generally a seasonal increase in the price of food during this period. This increase has been compounded to some extent by the easing of the supermarket price war. While the index rose by .7 per cent in April alone this is, as DBS pointed out, about in line with the average increase for this month over the past five years. On a year to year basis, the increase in the consumer price index in April amounted to 1.9 per cent, the same as in March. During the first four months of this year the rate of increase in consumer goods and services, other than food, has continued to slow down, and after averaging around 3½ per cent during 1970 has been running recently at a rate of less than 3 per cent.

Nevertheless, the dangers of renewed inflationary pressures developing in an expanding economy continue to remain very real. These dangers are seriously enhanced by the fact that despite some marginal decline recently, wage and salary increases are still running at a level that is not justifiable either in terms of increased productivity or increases in the cost of living. As I have indicated before, Mr. Speaker, the government is also concerned about the adverse impact on the economy stemming from the continuing high exchange rate of the Canadian dollar. I was rather interested to hear the hon. member say that we can have inflation in this country and that it will all be taken care of by increases in the value of the Canadian dollar. Admitting this could well have an effect on secondary manufacturing industry, he implied that we should not worry. Well, Mr. Speaker, I do worry about this.

Mr. Benjamin: Look at the mess we are in from your worrying.

Mr. Benson: This increase in the value of the Canadian dollar serves to weaken the competitive position of a number of sectors, both at home and abroad. The current level of the exchange rate is a reflection of our continuing strong merchandizing trade position and the climate of uncertainty internationally about the position of the U.S. dollar. As hon. members will be aware, recently I again urged provincial governments and underwriters to restrict to the greatest extent possible the amount of borrowing they undertake abroad in order to minimize upward pressure on the exchange rate of the Canadian dollar from this quarter.

But the matter of the most immediate and pressing concern is the substantial rise in unemployment on a seasonally adjusted basis between March and April from 6 to 6.7 per cent. Let me acknowledge at once that this increase is both perplexing and worrisome. It is perplexing because it represents a major break in the downward

trend of unemployment that began last October, and because it is sharp contrast to indicators pointing to the continuing expansion of the economy over the past seven months or so. This increase in seasonally adjusted unemployment in April is worrisome because it understandably raises questions about the strength and durability of the resurgence now under way in Canada.

While the increase in unemployment between March and April is undoubtedly a matter of concern, it would be the height of folly to leap to the conclusion that the economy has moved badly off course and requires a major correction on the basis of one month's change in only one of a series of important economic indicators. The unusually small increase in employment that took place between March and April may well have been caused by a number of temporary factors. Obviously, one of the foremost is that the severest winter in the memory of most of us only slowly gave way to spring in many parts of the country, delaying both the opening of the St. Lawrence Seaway and the quickening of the pace of economic activity that normally occurs in many other sectors around this time of year.

The tempo of the economy already may have picked up sufficiently during the weeks since the last labour force survey to take up all or most of the slack that developed last month, although there are new uncertainties associated with the current U.S. rail strike. Certainly, that was the experience in 1967 when employment in April of that year rose by only 36,000 compared with the average gain of 97,000 for that month in the three previous years. In May, 1967, however, employment rose by more than the average gain for that month, almost completely taking up the slack that developed in April.

Since the budget was introduced last December, Mr. Speaker, it has become clear that the economy began to move forward strongly during the last quarter of 1970 following the slower pace earlier in the year. The Gross National Product in real terms rose between October and December at a seasonally adjusted annual rate of 6.4 per cent, in contrast to a decline of 3.4 per cent in the real GNP of the United States during the fourth quarter.

Mr. Stanfield: Real figures?

Mr. Benson: These are real figures.

There is no comprehensive picture yet available of the economy during the early months of this year. On balance, however, and after taking account of short but sharp changes that may occur from month to month in individual indicators, there appears to be every reason to believe that the economy continued to move forward at a healthy rate, while the U.S. economy also began to gain momentum after the reversal of the fourth quarter of 1970.

During the first quarter, the index of industrial production rose by 1.2 per cent above the level in the fourth quarter of last year, when there was in turn an increase of .7 per cent over the third quarter. Retail sales, which have tended to be sluggish, were up by 3.1 per cent in the first quarter over the level a year ago, and I am informed that on a seasonally adjusted basis this is the strongest quarterly increase since the first quarter of 1969.

The general loans of the chartered banks, that is, business loans, have been increasing sharply, rising at a seasonally adjusted annual rate of 10 per cent in January, 16 per cent in February, and 28 per cent in March. The number of housing starts in April jumped to 254,000 on a seasonally adjusted annual basis, while in the first quarter housing starts were running at a rate of nearly 204,000.

Although there was some decline in March, during the first three months of this year manufacturers' shipments rose by 3.5 per cent over the last quarter of 1970 and new orders rose by 6.4 per cent.

Mr. Stanfield: Is that real?

Mr. Benson: Real.

Mr. Stanfield: Yes, but is it in constant dollars?

Mr. Benson: Yes, in real dollars.

During the first four months of 1971 exports increased by 1.7 per cent above the very high level of a year ago, while imports rose by 1.5 per cent. The result was a merchandize trade surplus from January to April of $813 million, compared with a surplus of $789 million in the same period a year ago. In the period from September to March, Canada experienced a growth in employment of 3.1 per cent at an annual rate seasonally adjusted. The seasonally adjusted level of unemployment maintained a reasonably steady downward trend from 6.8 per cent to 6 per cent. As I acknowledged before, the increase in the rate in April represents a sharp break in this trend. It is by no means evident, however, that the general downward trend has been reversed. I might point out, Mr. Speaker, that in the United States, the seasonally adjusted rate rose from 5.8 per cent in February to 6.1 per cent in April, despite the substantial pick up under way in their economy.

• (3:40 p.m.)

Mr. Valade: Is it adjusted?

Mr. Benson: Seasonally adjusted.

Over the course of the past 14 months or so, both fiscal and monetary policies progressively became more strongly expansionary as the existing inflationary price pressures began to recede. The supply of credit has increased substantially and there has been a marked decline in the interest rates. The federal government has adopted a wide-ranging series of measures to encourage expansion of production and employment in those regions and industries most adversely affected by slow economic growth. There was a swing in the cash requirements of the government during 1970-71 from the previous year of around $1.7 billion, which represents a substantial degree of fiscal stimulus to the economy. A further large boost will be provided to the economy from the fiscal policies of the federal government during the current year. I am informed that the fiscal outlook which I gave last December is much more expansionary than the so-called full

employment budget in the United States. In addition, a number of provinces, which together now wield substantial fiscal power, have also adopted more expansionary policies in recent months, thus reinforcing the impetus of federal action.

As members are aware, there are inclined to be long lags between the time that changes are made in the monetary and fiscal policy and the time these changes begin to exert their maximum impact on the economy. I am confident that the measures that have already been adopted will make themselves felt with growing force in the months ahead. Despite the very large degree of stimulus already injected into the economy, members of the opposition have been stridently demanding that we adopt ever more expansionary policies through massive increases in government spending and equally massive cuts in taxation.

Mr. Valade: We want you to reduce unemployment.

Mr. Benson: If we were to adopt the kind of mammoth crash programs being urged by opposition parties in total disregard of the most elementary requirements for sound economic management, we would have every reason to expect that the net result for our economy several months from now would be just that—a crash. Undoubtedly, members of the opposition would happily ignore the results of following their advice and just as happily berate the government for the consequences. I do not blame them—after all, that is the reason for the opposition being there.

Mr. Valade: You mean you are happy about unemployment?

Mr. Benson: In its study of the performance and potential of the economy, the Economic Council of Canada, which has consistently put strong emphasis on growth, warned that:

> —great care must be taken to move in a more gradual way back to potential in order to avoid the excessive surges of inflation-creating demand such as occurred in the mid-1960s and pushed the economy hard against potential.

Trying to push the economy back to its potential growth path too hard and too quickly would, the council said:

> —undoubtedly give rise to serious pressures and instabilities.

The very same warning was sounded by the OECD in its publication, "Economic Outlook", last summer when it said:

> While the likely impact of restrictive action has nearly always been overestimated, there has been a very frequent tendency to underestimate the impact of expansionary action—
>
> It is not only a question of making proper allowance for the lag between action and the effects of action: account has also to be taken of the resilience of private demand evident in modern full employment economies, especially when inflationary expectations have become entrenched.

There is, I believe, a widespread consensus developing in the country that the outlook for sound growth of the economy in the months ahead is very bright. Both the chairman and vice-chairman of the Economic Council of Canada have in recent weeks expressed confidence that the economy will continue to move forward at an accelerating pace. On the basis of surveys showing a significant upturn in consumer and capital spending intentions, a Financial *Post* editorial late last month asserted:

> Prospects for 1971 have taken a clear and decisive turn for the better.

The chief economist of the Toronto-Dominion Bank, Mr. Douglas Peters, predicted a substantial business upturn this year. As I have emphasized before, however, the resurgence of the economy now underway does not by itself provide a resolution to the basic dilemma that continues to confront Canada and all other western nations, that of maintaining high and increasingly productive employment and relative price stability.

Mr. Speaker, a background paper prepared for a committee of the other place that is engaged in a study of this particular dilemma warns that it is unlikely the inquiry will discover any single, magic elixir that will resolve this very difficult problem. Over the course of the past several months, we have had a number of elixirs proposed by various parties for providing magic solutions. Given the nature of the problem, however, it is not surprising that the nature of the solution they propose undergoes constant change.

Over a period of several months, for example, members of the New Democratic Party repeatedly called for imposition of mandatory price and income controls to halt inflation, which they recognized then to pose a serious economic problem for a country that is so exposed to the outside world as Canada. In the Commons last March, the then deputy leader and now leader of the NDP, again proposed imposition of price controls but contended wage controls should be considered only in the case of a very small minority of workers gaining excessive pay increases, and then only as a last resort.

During the national convention of the NDP last month, however, delegates were reported to have approved a resolution that said nothing about measures of any kind to contain inflation at any given level and in particular was totally silent on the various forms of mandatory controls advocated by NDP members in this House. It urged only that measures be adopted simply to compensate those who could not run fast enough on the treadmill to keep up with the inflationary spiral of prices.

Early last year, the Conservative party was criticizing increased spending programs adopted by the government to stimulate expansion in slow growing sectors of the economy and contended we should be increasing taxes to fight inflation. By fall, the party had reversed its position, calling for both major decreases in taxes and major increases in spending. The leader of the Conservative party consistently maintained that the dilemma of full employment and relative price stability could be resolved merely by urging Canadians to comply with voluntary guidelines. The Conservative leader has also spoken out vigorously on a number of occasions in opposition to the adoption of any form of mandatory price and income controls.

But a policy paper on economic growth prepared for discussion at the party's meeting this fall makes virtually

no reference to voluntary guidelines, the approach that is central to the economic policies advocated by the present Conservative leader. It asserts that the Progressive Conservative party opposes the introduction of a system of universal compulsory wage and price controls "at this time" and I emphasize the words "at this time". The paper says, and I quote:

> To date, there has been no strong evidence that such a policy, and the unprecedented intrusion of government into the private sector which it would involve, would be beneficial to the Canadian people...however, if circumstances warranted such action, a Progressive Conservative government would be prepared to consider the application of some wage and price controls on a selective basis.

In the past, spokesmen for the Conservative party have been vocal in their opposition to the selective measures adopted by the government to provide a general stimulus to the economy through the provision of special assistance for regions and industries that have been most adversely affected by slow growth. Their position is in sharp contrast to the approach proposed in the same Conservative policy paper to which I referred earlier. The paper insists that "regionally sensitive policies must be a key ingredient in a national strategy for economic growth." Later the paper adds:

• (3:50 p.m.)

> The Progressive Conservative party believes that Canada consists of several different economic regions, with in some cases fundamentally different economic conditions and requirements and that government fiscal and monetary policies should take account of these differences.

It is these kinds of contradictions which make it very difficult to determine just what the Conservative party believes about almost any given issue.

I have already informed the House, Mr. Speaker, that it is my intention to introduce a new budget some time in the next month. As I indicated in my remarks earlier today, most of the evidence available to date indicates that over the past six months the economy has been moving forward at an accelerating rate. We are, however, closely monitoring the course of economic developments and, as in the past, remain fully prepared to adopt further new measures if they appear necessary to ensure that the pace of economic growth is maintained on a sound and healthy basis in the months ahead.

Mr. Speaker: Order, please. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) wishes to ask the minister a question. I should bring to the attention of hon. members that we should try to stay within the time allotted. If the Minister of Finance will permit the question, he still has a few minutes left.

Mr. Douglas: Mr. Speaker, the minister referred in his speech to the Toronto-Dominion Bank and to the Chairman of the Economic Council of Canada. The minister was suggesting that the economy was improving. I am sure the minister would not want to mislead the House. Is it not true that in the statement to which he referred, Mr. Douglas Peters said that unemployment in 1971 would continue to be high? Is it not true also that Dr. Arthur Smith, Chairman of the Economic Council of Canada, said that high unemployment levels would not be substantially reduced within the next three or four years?

Mr. Benson: Mr. Speaker, I wish to indicate that unemployment is high in Canada at present. It will take some time to overcome the relatively high unemployment in this country. The policies of the government are indeed aimed at bringing it down over a period of time without causing, on the other side, as a result of undue expansion in the economy and as a result of fiscal and monetary measures, another round of inflation which will take money out of everybody's pay cheques.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I regret very much the conditions which make it necessary for me to take part in this debate. I welcome the opportunity to take part in it because it gives me a chance to appeal once again to the government and, in particular, to the Minister of Finance (Mr. Benson). I ask him to abandon his sterile attitude and empty words and to do something more effective to get the economy moving ahead again at a satisfactory pace. I realize that that is not an easy task, especially when you consider the downhill path on which this government has taken the Canadian economy for the past couple of years.

Some hon. Members: Hear, hear!

Mr. Stanfield: That is all the more reason for this government to now rid itself of this complacency. In all fairness to the minister, and I say this without being unfair to him, complacency is what he exuded this afternoon. Let the government finally start to do something to encourage the economy instead of continuing its policy of simply coasting along.

Some alarming figures have come to light, Mr. Speaker. One month ago, in the middle of April, there were about 348,000 Canadians who had been out of work for over four months. Over 50 per cent of Canadians who were out of work at that time had been out of work for more than four months. What is being done about this? How many of these people are receiving unemployment insurance? We may know something tomorrow as a result of the statement promised by the Minister of Labour (Mr. Mackasey). In any event, this is a soul destroying process that has been going on for those 348,000 Canadians who have been out of work for over four months. The Prime Minister (Mr. Trudeau) now recognizes, if I understood him correctly on television, that it is a lot easier to slow an economy down than to start it up. That was known to quite a number of people a long time ago. Certainly, it takes time for government policies to take effect, and particularly to have a stimulating effect. I should like to know what the government proposes to do about those 348,000 Canadians who have been out of work for more than four months. Will it let them rot?

Federal manpower officials in the province of Ontario, the province in which there was the sharpest rise in unemployment between March and April, said that they had an explanation for this rise. They described the rise

as a sort of freak caused by the severity of the winter and the lateness of the spring. They talked about the St. Lawrence Seaway and so on. Dominion Bureau of Statistics figures which have come out indicate that in April, 1971, as compared with April, 1970, the number of those who were out of work this year because of bad weather is not higher than last year. Of course, the figure is considerably below the one for March, as one might expect. Let us not have these phony explanations which are often given by officials as a result of the advice of their superiors. Let us come to grips with the real problem.

Just who are those people who have been out of work for more than four months? In the course of the past year there has been a dramatic increase in unemployment among youth. That is dramatic and alarming. In April, according to DBS figures, the number of young Canadians under the age of 25 who were out of work represented 13.6 per cent of the work force. More than one Canadian in eight who was out of work was under the age of 25.

An hon. Member: Shame.

Mr. Stanfield: The figure, seasonally adjusted, was 12.3 per cent. That still represents almost one in eight. Of course, students at that time had not come out of school.

Mr. Pepin: Could the hon. member give me the comparable figures for this group since 1960?

Mr. Stanfield: I can go as far back as the minister likes. I always thought he liked to look ahead. Of course, when it suits his convenience, he likes to look back. He might be happier talking about the 1930's, I don't know. We like to talk about the present and the future.

Mr. Nowlan: The present is what we are worried about.

Mr. Stanfield: We want to know what is to happen to these people who have been out of work for more than four months. I am referring to our young Canadians. Are they to go on welfare in increasing numbers, thereby adding to the problems of the provinces and, of course, to the problems of provincial and municipal taxpayers?

The minister quite properly talked about inflation and the problems of inflation. Inflation is a problem. I ask the minister, in view of what he said this afternoon, whether he still believes that it is appropriate to fight inflation in Canada by creating or even by maintaining massive unemployment? He suggested I have been saying that one can fight inflation simply through using voluntary guidelines. Nothing could be further from the truth. I have emphasized ever since coming to the House that, certainly, one must implement appropriate fiscal and monetary policies. I suggested, long before the government did, that it ought to resort to voluntary guidelines as a method of supplementing monetary and fiscal policies. If they had had the courage and foresight to try the course at the time I was suggesting it instead of waiting for the peak of inflation before trying it, that action might have been more helpful than it was. Let us not have these gross misrepresentations on the part of the minister. It is bad enough when he oversimplifies his own attitude with respect to the economy; let him not oversimplify the attitude of his critics.

The government made a big mistake, as it now seems to have recognized, in slowing down the economy so much. Clearly, when it had gone too far, and it must have been clear even to the minister and to the government that it had gone too far, it made a further bad mistake in not applying quickly stronger stimulants to get the economy going. The Prime Minister now recognizes that it is far easier to slow the economy down than to get it started up again. The stimulus that could have been used, Mr. Speaker, need not have been a continuing stimulus. One need not do something in 1971 and continue it through 1972 if it is no longer appropriate.

• (4:00 p.m.)

The minister talks about forecasting growth and employment. I have not seen any forecast of economic growth for this coming year, other than by this government, which indicates a substantial reduction in unemployment. On some days the minister says that a tax reduction of the sort I suggest would be inflationary. On other days he says it would not necessarily be inflationary under present conditions. The minister moves around like a wheel. One day it is inflationary, the next day it is not. If the minister wants to talk about something being inflationary, I am sure that from time to time he must have in mind the increase in the supply of money in this country by the Bank of Canada, something which may be much more difficult to adjust if the inflationary pressures grow than the kind of remedy I have been suggesting.

The minister described the economy today as burgeoning. I think that is the word he used. I think that I have described it fairly as being hesitant. After the April figures, I do not see how anybody can honestly describe it more favourably than as being hesitant. I urge the minister to bear in mind that the economy is not a machine. It is not something that automatically responds by simply having more money fed into it. People respond to certain stimuli and incentives. Despite his speech here this afternoon, I hope that the minister will consider these when he prepares his budget. I hope that he will bear in mind the importance of some method to remove the hesitancy from the economy, the need to get it started moving forward in terms of employment and, preferably, a flexible method of the sort I have been suggesting which lends itself to adjustment as the factors of the economy change.

The minister kept saying that he hoped he would learn something new and sensational this afternoon. I do not pretend to propose anything other than what I have said here before. I again beg the minister to open his mind and realize the importance of moving employment forward. Instead of looking for something new or sensational, I ask the minister to listen to the sensible suggestions that are being made to him.

I must disagree with the hon. member for Waterloo (Mr. Saltsman) to some extent. At the present time, I do not think that the emphasis should be on increased

expenditures, although there may very well be particular cases that have to be met such as, for example, members of Parliament. Seriously, there may well be others. The important stimulus needed by the economy now, in terms of psychology and from every aspect, is a considered reduction in taxes.

I spoke of the minister's complacency and arrogance in the sense that complacency soon moves into arrogance. As far as this government is concerned, I do not think there is any more apparent area where complacency and arrogance prevails than in the field of regional development. I intend now to talk about this. In saying that, I certainly do not want to take anything away from the general economic policies of the Minister of Finance (Mr. Benson) in terms of complacency or take him off the hook in that regard in any way. The complacent policies of the Minister of Finance have certainly been shown to be ineffective. We on this side have already had a good deal to say about that. I assure the minister that unless he is prepared to make a substantial move in the direction of common sense and a substantial move in the direction of inspiring the economy with some degree of confidence, he will certainly be hearing a great deal more. Unfortunately, the Minister of Finance is not the only member of the cabinet who can be accused of arrogance and drifting. He is, at most, first among equals with regard to complacency and arrogance. I must say that the Minister of Regional Economic Expansion (Mr. Marchand), as he is called, seconds him very well in the area of complacency.

We have heard a lot about the elimination of regional disparity. The President of the Treasury Board (Mr. Drury), based on the figures on which he works in connection with the adjustment of dock yard wages, must be very well aware that economic disparity between the east and west coasts has increased since 1968. I want to be fair to the Minister of Regional Economic Expansion. To a very considerable extent, his efforts have been thwarted by the offsetting policies and the obstacles erected by the Minister of Finance. I am sure that the people of the eastern provinces were as stunned as I was the other day to hear the minister preen himself, not because the situation in the Atlantic provinces and Quebec had improved, but rather because the situation in Ontario and other wealthier provinces had deteriorated. Look at the figures for the Atlantic provinces. The adjusted unemployment rate for April 1971 was 8.1 per cent. The unadjusted rate for 1971 shows 11.6 per cent of the people out of work compared to 10.4 per cent the previous year. It is difficult to regard that as an improvement, except through some tortured reasoning resorted to by the Minister of Regional Economic Expansion.

It is true that in Ontario the position deteriorated from an unemployment rate of 4.7 per cent in 1970 to 6.5 per cent in the month of April. By putting these two things together, the Minister of Regional Economic Expansion argues that actual conditions in the Atlantic provinces have improved. I do not know what point we have reached in this country. What the minister was in effect saying was that because one of the relatively wealthy provinces in Canada was now going downhill even more quickly than the poorer ones, the relative differences between the two have become somewhat smaller. On this basis, the minister claimed to have done a good job in fighting regional disparity. That is a new low, even for this government. I have often suspected, and half in joke suggested, that the real goal of this government is the equalization of poverty across this country. We now have the evidence that this is the case from the Minister of Regional Economic Expansion. I can tell him and the other ministers present that it is cold comfort indeed to the less well-to-do provinces to be told that they are rapidly being joined in their misery by the rest of the country.

I do not think there has been any single statement that has so clearly shown the fundamental bankruptcy of the policies of this government as that made the other day by the Minister of Regional Economic Expansion. It points out the irony of the use of the word "expansion" in the name of that department. The only thing the minister has really expanded has been the size of the designated area in this country. He now has about half of the country designated and this is not because it does not need to be designated. In that sense, it really is a department of expansion. In the interests of accuracy perhaps the minister should change the name to the department of universal economic collapse, which would be more appropriate at the present time.

• (4:10 p.m.)

It would be appropriate, too, if he and his departmental advisers condescended to take into consideration the suggestions coming to him not only from the opposition in this House but also from people whose business it is to study the economic problems with which that minister is supposed to be dealing. For example, as far as the Atlantic provinces are concerned, he and his department should be listening to Professor William Smith and the Atlantic provinces advisory council. The minister and his department should be listening to other voices that are being raised in warning and appeal—appeal to this government to adopt a strategy for development of areas of slow growth.

This is not simply a question of spending money, Mr. Speaker. The government has been criticized by this advisory body in the Atlantic provinces, which the government itself established, for its failure to devise a feasible strategy for the development of those provinces. It has been criticized for lack of co-ordination. In fact, in short, it has been criticized for wasting money and for its failure to make a concerted effort. We now seem to have reached the point where the minister does not even seem to be able to find a chairman for the Cape Breton Development Corporation. Critics have been pointing out again to this blind and deaf government two facts that are clear enough. First, that the have-not provinces in this country always take the lead in suffering the consequences of federal policies that encourage unemployment, that slow down the economy. They are also the last to recover.

The Minister of Finance tried to make something this afternoon of some suggestions contained in a policy paper

of this party to the effect that the government of Canada had to adopt a flexible fiscal and monetary policy if economic disparity were to be overcome. I have been saying this for years. Anyone who has ever spoken on behalf of the Atlantic provinces has been saying this for years. Yet the Minister of Finance comes before the House this afternoon and suggests that this is something new. Certainly we are saying that there must be flexibility; but I must also say in passing that to talk of economic benefits in the present circumstances is rather abstract at best, because under this government there are not many benefits to count, only costs. In any case, the economists of the Atlantic provinces, and in particular the advisory council that the government established, have been and still are pressing the government to draw the necessary conclusions from this regrettable but real state of affairs. I repeat that it is not so much a question of money as of making a co-ordinating effort.

We are in the position where the chairman of that council is seeking an answer from the government, and is really suggesting that the government should be prodded into providing such an answer. Surely, there must be long-range policies to help boost the economies of the less favoured regions of Canada; but these advisers are also suggesting that the government should take an urgent look at the possibility of applying sensitive policies in a co-ordinated way to give a boost to these economies. I think that that suggestion must be considered closely and urgently, and I think that an answer from the Minister of Regional Economic Expansion to Professor Smith and his colleagues on the advisory council of the Atlantic provinces is long overdue and must be forthcoming.

I may say that it is not enough for the Prime Minister casually to say, as he did the other day, that really 3 per cent unemployment is impossible to achieve in this country because this would mean a rate of one per cent unemployment in Ontario to compensate for a 5 per cent rate in some other provinces. That is not a policy; that is an absence of policy. That constitutes simply a retreat in confusion all along the line. Those words tell us that this government has no confidence in its own policies that are supposedly designed to help eliminate regional disparities and to reduce high rates of unemployment in areas of the country where economic growth is slow.

Mr. Douglas: Five per cent is lower than the present rate.

Mr. Stanfield: Yes, it is lower; it would almost be Utopia by comparison. In short, for the Prime Minister to talk in this way is an admission of failure that is as serious as the incredible position taken the other day by the Minister of Regional Economic Expansion. Each in his own way, one casually and the other with great protestations of success in the implementation of his policies, is telling us that this government has little or nothing to offer in the development of effective regional economic policies.

I want to emphasize a point that I have been emphasizing for the past year, and that is that you cannot successfully attack economic disparity in the Atlantic provinces, in Quebec or in other areas of slow growth as long as there is massive unemployment across the country. You can pour all the money you like into areas of slow growth, but it will just not develop any momentum unless the economy of the country is moving forward generally at a satisfactory rate. Let me repeat what I said many times in and outside this House, namely that one of the most effective measures that the government could take to help areas of slow growth is to get the economy of the whole country on a healthy basis and moving forward satisfactorily. There is no conflict in this respect, at this time at least.

I see the President of the Treasury Board (Mr. Drury) smiling. I would have thought it would have been obvious to him because this point has been raised by many others as well as by me. As long ago as 1960, Professor Alec Cairncross, who came over to Canada to do a study for the Atlantic Provinces, said that the Atlantic provinces could only move forward economically on the basis of a satisfactorily expanding economy in Canada.

Mr. Drury: Would the hon. gentleman permit a question? I have listened with great interest to his remarks in connection with the general proposition that the *sine qua non* of helping the disadvantaged areas is to get the general economy moving forward. However, I suggest this is not the only thing required by a long way.

Mr. Stanfield: Is the hon. gentleman asking a question or making a speech?

Mr. Drury: Earlier the hon. gentleman made reference to the fact—as I had experienced with wage negotiations—that wage disparity between British Columbia and Nova Scotia was increasing, and perhaps this is one of the consequences of moving the economy forward, even at a slow pace. I would ask him how he reconciles these two propositions.

Mr. Stanfield: Mr. Speaker, I lost the minister a long time ago I must admit. Surely, the hon. gentleman is not going to accuse me of thinking that special measures to help areas of slow growth are of no importance. He was hardly in his seat following the change of government in 1963 when I and a lot of other people were at his door urging the government to adopt special measures to stimulate the economy of the Atlantic provinces.

Mr. Laing: The mistake you made was in thinking he was smiling. He looks like that all the time.

Mr. Deputy Speaker: Order. The Leader of the Opposition may complete his reply, but I suggest it does not help to have interjections once he has answered the question.

Mr. Stanfield: Mr. Speaker, I will conclude fairly shortly now. I want to remind the House of what I was trying to explain to the President of the Treasury Board something which I think he really understands, namely that in addition to incentives, encouragement and development of the infrastructure of areas of slow growth, these areas are only going to move forward when we have a healthy economy in the whole of Canada. That is why I suggest it is urgent for the country, and especially those parts that

ordinarily suffer from slow growth, that the Minister of Finance take effective measures to stimulate the economy and to remove its hesitance. For the sake of the 348,000 people who have been out of work for over four months as of last month, and the vast number of young Canadians who are starting out in life under these very depressive conditions and outlook, I hope something can be done. For the sake of the government and those people who are out of work as well as those who are paying extra taxes because there is so much unemployment, and for the sake of those who suffer from the ever-spreading poverty which is a result of this unemployment, I hope the government will do something effective in its upcoming budget. If it does not, the people of Canada are facing a difficult time ahead, indeed, and so is the government.

• (4:20 p.m.)

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, we can but subscribe to the motion proposed by the hon. member for Waterloo (Mr. Saltsman). The present economic situation requires that immediate emergency measures be taken to bring about a high level of employment.

The means envisaged by the hon. member could only be those advocated by the Social Credit, if he could finally do away with the usual tax policies which are the recurring theme of our good friends in the NDP.

There is no doubt that special expansionary programs and policies in the monetary and fiscal fields should be adopted forthwith. For our part, we are quite ready to assist the government in setting up financial programs whose beneficial effects are certain.

The first measure to retain our attention should deal with credit availability which should be based on our actual resources and manpower potential. This would give us an opportunity to assess the actual production capacity of the population which is anxious to put its talents, its competence and its courage at the service of the community.

Once this potential has been determined, there remains but to get this whole business on the road by issuing the required credit. There is no need to sit down quietly, waiting for the good please of Big Business, American, European or other. Neither must we wait for the last results of the flights and mathematical acrobatics of the American dollar, the Deutschmark or the Japanese yen. No! Let's be consequent. Let us show some horse sense. Let us consider all that is materially possible around us and let us make it financially feasible.

Mr. Speaker, roads, bridges, schools, hospitals, to give but a few examples, these are not built with money but with materials, workers and engineers. Are we short of these in Canada? Sand, iron, wood, minerals, our country is full of these raw materials! Who can deny it?

Are we short of manpower, then? Putting the question brings to mind the record number of unemployed in the country, the recent increase in unemployment in April, at the time when there is usually an upsurge of economic activity. No, 700,000 times no. There is no shortage of manpower. Who could claim that our universities do not provide all the engineers who are or would be needed to establish plans and carry out scientific calculations?

What then is lacking, Mr. Speaker? Money? That is right! Then, let us just issue all the money materially required for this purpose, let us have the Bank of Canada grant all the credit required. Why seek the permission of New York, London or Paris? What rights have foreigners to directly influence our lives.

Once more, Mr. Speaker, I say we should return to a sound and rational economy. Let us attend to our business. Let us examine our opportunities and take action. Let us stop tailoring our policies to the views of Nixon, Heath, Brezhnev or Mao. The ridiculous and stupid principle that we are applying to our external trade inevitably and irremediably leads our industry and our trade to utter failure and decadence. For how can we increase our production, hence our manpower, if we let into the country any product whose cost is lower than the corresponding production cost in Canada?

Butter is cheaper in New Zealand, so let us buy butter from New Zealand, as the Prime Minister (Mr. Trudeau) said last year.

Cars are cheaper in Japan and in the United States, so let us close all our automotive plants and let us buy cars from these countries.

Textile products are cheaper in China, so let us buy them from China and let us close all our mills. This is why one of the main industries of Quebec is dying. European shoes are less expensive, Mr. Speaker. Canadians who a few years ago walked almost exclusively in our shoes now see the Canadian industry in pitiful jeopardy. We walk on Italian, Polish or Spanish soles before going barefoot.

It is obvious that these policies cannot be maintained much longer. Let us produce in Canada all that is materially possible. The price question is relative and secondary. There would be absolutely no problem in this connection if we merely balanced the cost of production with the purchasing power. If there was as much money available as there are products, everybody would be happy.

Those are concrete proposals. We feel sure, Mr. Speaker, that the Canadian people would be satisfied if they were carried out.

According to the motion we are debating, to achieve full potential growth through a planned investment and foreign ownership policy, credit must be liberalized. All programs, though they be interesting and good, cannot solve anything by themselves. The proposal that taxes be further increased in order to help the state to invest is basically faulty.

It will become absolutely necessary to consider applying the economic principle that all new production must be financed by new credits. It is not up to the government nor to the producers to determine the extent of such new credits, but rather to the consumers themselves. From wants come necessity which in turn creates production, thanks to the private initative of manufacturers and tradesmen.

Furthermore, Mr. Speaker, those new credits must be financed without interest. High interest rates in fact keep our industries from progressing.

A planned investment policy is impossible without the application of the healthy and reasonable economic principle that any new production must be financed by new interest-free credits. Thus, we could easily promote the development of secondary industry that could be, as indicated at the end of the motion, and I quote:

—providing the necessary employment opportunities for the hundreds of thousands of Canadians who enter the work force every year.

• (4:30 p.m.)

[*English*]

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, I have listened to this debate with interest. I listened to the hon. member for Waterloo (Mr. Saltsman) present his case earlier this afternoon. I listened with both ears. If I had had a couple of more ears I would have listened with them also because I had hoped to hear something. But I heard no new ideas. I did not hear anything that would help solve any problems. I have read his resolution which indicates that the only way to provide the necessary employment opportunities for Canada is through secondary manufacturing. Then, he went on to tell us how we should be spending money on a great many other programs in order to improve the employment picture in Canada. Well, I suppose we could have full employment in Canada if we were willing to accept the standard of living which goes with full employment. Our attention is constantly drawn to those countries in Europe and elsewhere which do seek full employment and have full employment. I refer to countries like the United Kingdom, which is coming very close to it, Germany and Japan.

I have looked at these countries and at their employment situation. I know a young lady who went from Canada to Germany a few months ago. She is employed there. Her salary for doing approximately the same kind of work she did in Canada is just about half what her Canadian salary was. Her living conditions I suppose, if one could measure them, would be about a third of what they would be in Canada. So, if we want full employment on that scale, I suppose we could have that kind of full employment. A year ago while I was in Japan I spoke to an interpreter who was with our party. My wife and I asked her about her living conditions. She told us she lived in one room. She described it as a three-mat room. I asked what that was and she referred to those little mats they have on the floor, the tatami mats, which are three feet by six feet. A three-mat room is nine feet by six feet in size and for that she paid $40 a month in rent. There is a toilet down the hall and when she wanted to have a bath she had to go three blocks down the street to a community bath. This young lady was a university graduate and was employed by the Japanese government. That is full employment in Japan. I suppose if we wanted to accept that standard of living in Canada, and if Canadians were willing to cut their salaries by 50 per cent or so, we could have that kind of full employment.

We are having some economic storms in Canada at the moment, but that is not to say that the ship is in danger. Not too long ago I listened to a German economist talk about world economics. He mentioned our monetary situation and recited what, in his opinion, were the stable currencies of the world. The currencies which in his opinion in the next five or ten years, or in a generation, would be the currencies which would stand up he listed as being the Swiss franc, the German mark, the Japanese yen and the Canadian dollar. I hear the old litany from the other side of the House concerning the economic condition of Canada. I hear this over and over again. However, I do not hear any suggestions in respect of improvement which are worth listening to. We have a strange situation in Canada. One member of the opposition talked about the hon. member for Duvernay (Mr. Kierans) criticizing the government. Well, I welcome the criticism of the hon. member for Duvernay. I look forward to hearing his ideas, and his contribution in respect of improvements we can bring about in our economic system. I suspect we will hear a great deal more from him than from the opposition about what would be beneficial to the country. I think it is a sad situation when people on this side of the House have to provide the government and the opposition, too. That is the situation in which we seem to find ourselves today.

We might look at the situation in Canada today and see what the economic indicators are. My department tells me that tourism will be up this year to the highest level we have ever reached. It will exceed the level it reached during centennial year, 1967. I believe this is a pretty good economic indicator. I see that our trade surplus has reached $3 billion, the highest figure it has ever been. I think that is a pretty good economic indicator. I see that investment intentions this year are up again by 10 per cent. That is a pretty good indicator. It is expected that there will be 250,000 new housing units this year, a record level. That is a pretty good economic indicator. There are many other such indicators in the Canadian economy today.

The Department of Industry, Trade and Commerce fortunately does have some excellent programs for improving the economic situation in Canada and for improving the employment situation. Canada happens to be experiencing a rapid increase in population, particularly in that segment of the population which is in its first working years. About five years ago we recognized that this would happen, so the Department of Industry, Trade and Commerce began introducing a number of programs designed to do exactly what the members of the opposition want to see done. I refer to such programs as the industrial research and development program, which was introduced in 1966 and which now is beginning to bear full fruit. Since it was introduced about five years ago a total of 2,113 applications have been received and grants have been made in an amount of more than $75 million. The program is designed to provide for the payment of grants based on expenditures for scientific research and

development carried out in Canada. This is an area in which Canada must be very concerned.

We have been watching the research programs carried out by the major nations of the world. We see that we have a deficiency here because it is difficult for small companies to compete with large companies in conducting this kind of research. So, Canada and Canada's government has responded with a program that is bearing a great deal of fruit. During the five years this program has been under way 1,200 companies in Canada have participated in this progressive program. Also, I want to say something about the PAIT program which was introduced in 1965, a program for the advancement of industrial technology. It is a program of forgivable loans to encourage industrial growth and production by providing assistance for the development of new or improved products and processes which incorporate new technology and offer good opportunities for commercial exploitation in domestic and international markets. Since 1965, there have been 339 projects approved under this program at an estimated total cost of $162 million, with the government's share of that being $82 million. This is another successful program designed to improve productivity and employment in secondary industries in Canada and designed to do the kind of thing that has been outlined, rather vaguely I would say, in the motion of the hon. member for Waterloo.

• (4:40 p.m.)

I want to refer also to another new program, the industrial design assistance program which was begun in 1970. The primary objective of the IDAP program is to improve the competitive position of Canadian secondary industry and to expand sales in foreign markets by upgrading the design quality of Canadian products. I should like to refer to the results of that program because it is important to have a look at the positive results achieved in Canada by programs of this kind. To date—and this was just begun toward the end of last year—over 20 applications for IDAP assistance have successfully obtained agreement for funding, totalling approximately $400,000. These companies anticipate first year sales totalling $13 million, including substantial exports.

Then, we have another program called PEP. I should like to recommend this to opposition members because they could certainly use it. The objective of this program is to induce improved productivity in all manufacturing and processing sectors of the Canadian industry. As a result of the PEP program, it is expected that many of those companies which have shown a low level of productivity will start to thoroughly investigate the ways and means to become internationally competitive. The program was introduced late in 1970 and already there have been three applications for PEP assistance which have successfully obtained agreement for funding totalling approximately $50,000, and an additional six applications will be decided upon imminently.

Another program which should be mentioned is the general adjustment assistance program which was brought in after the Kennedy round. The GAAP program is primarily designed to help manufacturers take advantage of export opportunities arising from the Kennedy round. In 1970, this program was extended to assist manufacturers of textile or clothing goods or footwear.

Hon. members have heard of these programs before but they seem to forget that the Department of Industry, Trade and Commerce has a long list of such programs to combat difficulties in the Canadian economy, to encourage secondary manufacturing, and to improve economic conditions in Canada. I have not listed them all. There are many more I could mention, such as the automotive adjustment assistance program which was begun in 1965 and has had such tremendous success, and the PIDA program for the pharmaceutical industry which was begun in 1968. It, too, has been a great success. I could also mention the machinery program designed to encourage the expansion and efficiency of Canadian manufacturing by providing a reasonable measure of tariff protection to machinery manufacturer and enabling users of machinery to obtain remission of duty on imported capital equipment which is not available from Canadian production. I could go on and on with program after program, such as the shipbuilding program and the lumber and plywood export promotion program for the British Columbia industry. There are many such programs that are being used as tools by the Department of Industry, Trade and Commerce.

I must say that I cannot understand the lack of faith in the people of Canada which I hear day after day from the opposition.

Mr. Rowland: It is not lack of faith in the people but in the government.

Mr. Howard (Okanagan Boundary): The most essential ingredient in the progress of a nation is confidence in the people. If we have confidence in the business and other sectors of our industry, Canada will be a progressive nation, but if the confidence of the people of Canada is destroyed, then indeed we will have difficulty in making Canada a prosperous nation. I want to recommend to members of the opposition that they lift up their shoulders and look forward at the possibilities that Canada has. They should look at the future ahead of us and at the progress that Canada is making, then Canada will indeed live up to the opportunities that we have.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, this government will be known to history as the government that gambled and lost. Cold bloodedly and deliberately it has gambled on taking measures the textbooks prescribed to cut down inflation. It knew perfectly well that such a massive slowdown of the economy would cause massive unemployment. The Prime Minister (Mr. Trudeau) said he could live with 6 per cent unemployment. The chairman of the Prices and Incomes Commission subsequently told a university audience that he and others knew that the unemployed would bear the brunt of the fight against inflation. But this gambling govern-

ment went ahead trying to cure inflation by massive doses of unemployment. They gambled with the economy and lost.

In March their own member for Trinity (Mr. Hellyer) told the House that the government's policies to deal with unemployment and inflation had been a near economic disaster and a total moral disaster. While there had been a more modest rate of price increases as a result—and I may say a temporary result—the main beneficiaries of the exercise, he said, had been the people with money, and those who had suffered were the unemployed. Young Canadians, too, have suffered, he said, pointing out that last year's economic slowdown resulted in lost economic activity of $3.5 billion, an amount which, if it had been properly spent, could have provided the base for 100,000 new jobs.

But the government did not limit its reckless activities to the economy. It has gambled and is still gambling with the lives of 22 million Canadians. This government, in spite of its show of bravado, is losing ground steadily. But its loss is as nothing compared with the losses being sustained by the Canadian people. The plight of the elderly, the sick, the handicapped, the veterans, those on low fixed incomes, families on social assistance, and the unemployed is tragic and deepening with every move this gambling government makes.

Today, I want to speak particularly of the cost to young people from coast to coast. They are suffering now and because of their situation our whole Canadian future is in danger. Last fall there were plenty of warnings given after the summer we went through. Dr. Baetz of the Canadian Social Development Council gave figures to indicate that most likely there would be larger numbers of unemployed again this summer. His figures were underestimations. The figures for April of this year showed an 11,000 reduction in the number of unemployed aged 55 years or more, but a sharp increase in the number of younger workers looking for jobs. For those under 25 years, the seasonally adjusted rate of unemployment went up from 11.1 per cent in March to 12.3 per cent in April, and there were 57,000 more of them unemployed in April than there were a year ago.

• (4:50 p.m.)

As already mentioned in this debate, Arthur Smith, Chairman of the Economic Council of Canada, has warned that unemployment will be excessive for at least three years. Last year's figures showed a large number of unemployed young people. A release issued at the end of summer by the Department of Manpower showed that of 179,000 students registered across Canada for employment at the peak of summer, 68 per cent of them found jobs, 32 per cent were still seeking work, and of these 27 per cent were post-secondary students and 73 per cent were high school students. It was the high school students who had to bear the brunt of the unemployment catastrophe.

That was the situation last summer. The picture now has become even more sombre, because this year unemployment has reached up into the ranks of college graduates. It got there last year but is making a heavier impact this year. In April, a report was issued by the Science Council of Canada, not a rabble rousing body but a group of people who consider themselves to be very cautious and careful in the figures they use. This is what the report said in essence:

> Half of the 14,000 or so students graduating from Canadian universities in science and engineering this year will not be "effectively utilized," according to a study prepared for the Science Council of Canada.
>
> This figure includes graduates at the bachelor's, master's and Ph.D. level.
>
> About 400 of the 1,200 to 1,500 post-graduate students who will receive PhD's this year could be in surplus.
>
> Prospects for PhD's next year are bleaker. The most optimistic prediction is that 500 of the 1,800 science and engineering PhD's will be in surplus.
>
> The outlook for the next few years is just as gloomy.

In the face of this, I do not see how there can be such whistling in the dark in such a cheerful way by members on the government benches. It is another case where there are none so blind as those who will not see, and none so deaf as those who will not hear. It is no longer just the problem of summer employment for young people that is in front of us. The cold truth of the matter is that society no longer has a place for growing numbers of young people. Under the government's policies young people are being discarded, like old cars on the junk heaps of industry. That is what has been happening to them.

I can tell hon. members on the government benches what is happening. I will take my own province of British Columbia as an example. In a memorandum dated April 8 of this year to the Vancouver City Council dealing with the subject of single transients, aged 18 to 25 years, in British Columbia, the Board of Administration reported some chilling facts.

> In 1965 the 25 and under age group represented 2.5 per cent of the total population in receipt of social assistance. By 1970, this 18 to 25 year old population represented 11.4 per cent of the total receiving social assistance, an increase of almost 500 per cent in the five year period.
>
> Population figures for British Columbia show that in the next five years there wil be a peak population of 203,000 aged 15 to 19 as compared with the present population in this age group of 182,400.

What is going to happen to the social assistance figures for British Columbia? What is going to happen to the social assistance figures for every municipality across Canada? What is going to happen to the taxpayers' ability to foot the bill? More important, what is going to happen to our young people? What is going to happen to our society? In this connection studies have been going on in British Columbia for some time, and they show what is happening right now. I can tell hon. members opposite the sort of thing that is going on now, and what their policies are doing to the young people of this country.

These studies in my own city of Vancouver show that a new style of life has been evolving for some time, a welfare life style among young people. It already is affecting about 15 per cent of a large sample of the

population, young men and young women alike. These are young people who have been without work over the last months and years, and these are some of the things that the survey is finding out about them. This rot will spread because nothing is being done to check it.

This 15 per cent of our young people no longer want full-time work. Many no longer want work of any kind. They have learned to live on welfare, on a marginal income because they have no opportunity for work, and now they are used to living on welfare. Most of them are using drugs on a daily basis. They include young people from all levels of education, including university graduates. Half of them are living communally, or I suppose you could call it wholesale common-law. Most of them come from homes above the poverty level. This last fact is something which should strike home to hon. members opposite who are inclined to think that as long as the comfortable sector of society is doing well, we are living in the best of all worlds and God's in his heaven. These are young people for whom there is no place in our society. They no longer have a role in the community. They have no chance to earn their own way. They have no chance for responsibility. Without responsibility what is going to happen even to their rights as human beings?

We know that Mayor Campbell of Vancouver dismisses them as free-loaders and hopes for a bigger budget for law and order to handle what may result. We know that our provincial Minister of Rehabilitation—what a word that is to apply to P. A. Gaglardi!—believes in posting notices telling young people to stay away from British Columbia. If this continues, I suppose we shall soon find each province putting up a Chinese wall around itself, not only for chicken and egg wars but to keep out young Canadians for whom there is no work. Yet the federal government sings its soul to glory, and says we have turned the corner, that we are taking more ore out of the ground, that we are having more export trade, that everything is wonderful. But, Mr. Speaker, at the heart of this country the most important thing is that we have no place for our young people. I am talking about people. Hon. members opposite can talk about the rest of things if they like, but let me warn them that once young people have lost confidence it does not matter what hon. gentlemen opposite do with the ore, the minerals and the export trade. Their government is finished.

An hon. member opposite has said that the Canadian people should have confidence in the government. Do you expect them to have confidence in a government that carries on in this way, a government that just does not care? I see the minister nodding his head affirmatively. I am sorry, Mr. Speaker, but I must conclude that not only has he no ears and no eyes but that his heart has been replaced with something a great deal more chilly than a human heart ought to be.

In a statement on income security issued in April by the National Council of Welfare we find this sentence:

• (5:00 p.m.)

Updated estimates based on those prepared for the Carter Commission indicate that the cost to the taxpayer of indirect subsidies to the rich extended through the tax system alone is at least $800 million—one-third more than the entire family allowance program.

The Opportunities for Youth program and the other programs provided by this government, if my arithmetic is correct, will provide $82 million for unemployed youth this summer—$800 million as subsidies to the wealthy through our tax system and $82 million to the unemployed youth! It is not hard to see what should be done, Mr. Speaker. The government should cut out its widespread and unjust subsidization of those people who do not need it and should use their money to give young people the start they need.

It has been pointed out this afternoon that in order to achieve anything substantial we would have to cut our standard of living down to something akin to what exists in the nether regions of Africa. But some of us have memories of what happened when World War II came along, Mr. Speaker. Until then there had been no money for anything, but because we had a government that decided the war had to be proceeded with, suddenly we had growth and industry and all the things necessary to pursue that war. If we had the kind of government that did not have twisted and crooked values, if we had the kind that cared about people and not just the affluent élite, there would be no difficulty about putting people to work. We would clean up pollution, clean up the beaches; we would build schools, establish forests and do the other things that this country needs. We would fill the cultural gap that is so obvious in Canada and we would replan and rebuild our cities into places decent enough for people to live in.

When we say these things out loud, members of the government shake their heads and say, "We have heard nothing new". They are not new but then they are as new as Christianity in that it has never been tried. I think the government should try some of these suggestions before they say there is nothing new. Until they do we will have the young people of this country undermining the values of our society because they must.

Mr. Deputy Speaker: Order, please. I interrupt the hon. member because her time, as limited under the special order made earlier this day, has expired.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Surrey-White Rock (Mr. Mather)—Finance—Use of portion of revenue from alcohol to combat alcoholism; the hon. member for Moose Jaw (Mr. Skoberg)—Labour Conditions—Failure to hire Saskatchewan welders for pipeline construction project in province.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—REQUEST FOR ECONOMIC MEASURES, PLANNED INVESTMENT AND FOREIGN OWNERSHIP POLICIES TO ACHIEVE HIGH EMPLOYMENT THROUGH DEVELOPMENT OF SECONDARY MANUFACTURING

The House resumed consideration of the motion of Mr. Saltsman:

That this House calls upon the government to adopt immediate emergency economic measures to move the economy to high employment through special programs and more expansionary monetary and fiscal policies, and also to achieve full potential growth through a planned investment and foreign ownership policy and to stimulate the development of secondary manufacturing as the only way of providing the necessary employment opportunities for the hundreds of thousands of Canadians who enter the work force every year.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to say a few words in support of the motion before us on the subject of economic conditions. I believe that we need to adopt a more expansionary philosophy in connection with our monetary and fiscal policies, particularly now that so many people are unemployed. I congratulate the hon. member for Vancouver-Kingsway (Mrs. MacInnis) upon expressing her concern for people. The sad part is that much of what she said is true. I am not going to deal with the question of unemployment rates as the Leader of the Official Opposition dealt with them at length.

I should like to take a brief look at what has gone on in Canada in the last five of six years. We have seen Mr. Trudeau and Mr. Benson carrying on an experiment to find out whether a country the size of Canada could control inflation and to learn what the net result of it would be. In looking at Canada's economic picture from 1965 to 1968, we find that this country had the highest rate of inflation in what might be called the western world. I believe only The Netherlands exceeded Canada's rate of inflation during that period. That was because they had just recently removed the wage and price controls in that country.

From July 1968 until December 1970, Canada had the lowest rate of inflation in the western world, so we went from a period of sharply accelerated inflation to a period of very low inflation—in fact, no inflation at all. I think the rate for the last full year was 1.9 per cent and perhaps this is good. Perhaps the government should be patted on the back. They attempted to do this themselves on January 1, 1971, when the Prime Minister said that he had inflation licked. But what did he say a year earlier on January 1, 1970? He said that we would have to live with unemployment and that even if it got above 6 per cent we would still have to live with it. He was determined to control or curtail inflation. What effect did this sharp reduction of inflation have in Canada from June 1968 to the end of 1970? Well, we had an influx of foreign moneys. The dollar seeks a place where it can find the highest rate of return, so dollars came to Canada. We still kept a tight monetary policy and we had to float our dollar or it would have cost us an enormous amount of money to pay the difference in exchange.

Floating the Canadian dollar cost us, as primary producers and producers of manufactured goods, millions of dollars. And was it necessary? What was the net result of this curtailed rate of growth, this curtailed monetary policy? The Prime Minister indicated the result last week on the television program "Weekend" when he said:

... the Canadian dollar is so strong indeed that it is hurting our export trade because people are finding it cheaper to import goods and more difficult to sell them abroad.

What does this mean to the Canadian seeking work? It creates a situation where it is cheaper to buy goods that come into Canada and it is more difficult to sell the goods produced in Canada, therefore our export total goes down and our import total goes up. Of course, this creates unemployment. Perhaps Mr. Smith of the Economic Council of Canada was correct when, in the fifth or sixth report of that council, he said that Canada really cannot control its rate of inflation and if we do perhaps it will cause undue hardship on various segments of our society. Unpalatable as that statement may be, I think it must be reckoned with and we have to accept portions of it. What portion of the Canadian economy can Canadians control? What portion of the monetary policy of Canada can Canadians control?

First of all, I think Canada should control the rate of differential between the Canadian dollar and the American dollar, the mark, the yen or whatever it might be. We can control that, and we should make a determined effort to see that our dollar should be 8 per cent, 10 per cent or 5 per cent less in value than the American dollar. In this country we are faced with a different cost of production. We produce for a small home market. We produce mainly in a winter climate and therefore we should have a differential of about 8 per cent between our dollar and the American dollar. In doing this, we must recognize that we have to allow our dollar to inflate at a rate similar to the currencies in the rest of the western world, particularly the United States dollar.

• (5:10 p.m.)

It is well known that a crisis developed because the value fixed for our currency was out of line with the value that the free forces of the market would have established. That is why Germany recently, after having gone through a similar period, has had to float its currency. I think that we need a basic expansionary policy which will allow our money supply to expand. It is interesting to note that even although we have gone through a two-year period of tight money in this country, the government is still wondering which is worse, unemployment or inflation. Last month, I think, the Prime Minister issued a grave warning that we were not to permit another inflationary spiral to take place.

Actually, Canada is a country that can be hurt in two ways. If we permit our economy to inflate too fast, we shall price ourselves out of world markets. On the other hand, if our fiscal policies are too restrictive, our money will increase in value and we shall, as well, price our-

selves out of world markets. In that sense, as I say, we can price ourselves out of world markets. We must not allow our economy to inflate too quickly and neither must we embark on too stringent a monetary policy. I think it has been accepted that we must try to balance the scales in that regard.

Whether you judge the Minister of Finance (Mr. Benson) in a political or non-political sense, you will see that he has failed to balance the economy and to keep in step with the rest of the world. Here, he has failed miserably. He brought about a period of high inflation prior to 1968; that priced us out of world markets. Then he tried to curtail inflation too rapidly between 1968 and 1970 and, since it became cheaper to import goods than to produce our own, we were also priced out of the market. Our money became more valuable and that increased the price of our products in world markets. Both actions have brought the same result.

It is no wonder that the hon. member for Duvernay (Mr. Kierans), who was formerly minister in charge of the Post Office, resigned. He became thoroughly disgusted with the inept job the Minister of Finance is doing. In other words, he passed judgment on the government. He had given advice to the Minister of Finance. One could read the speech that the hon. member gave on June 2, 1970. He recognized, on June 2, that the Canadian dollar was strong and far stronger than the American dollar. If I had time I would read what he said in that speech about the floating of the Canadian dollar. He recognized that if we were not careful, we could price ourselves out of world markets, especially if we adopted too stringent a monetary policy.

It is interesting to note what Mr. Rasminsky, head of the Bank of Canada, had to say about this matter. The Toronto *Telegram* of Friday, April 30, contained this report:

> Mr. Rasminsky's position on the direction of economic policy is this: Economic growth should be geared to ensure a steady reduction in unemployment while simultaneously 'avoiding an expansion so rapid that it would over-shoot the mark.'

In other words, he recognizes clearly this question of balance. We must maintain this balance which involves on the one hand our own economic and monetary policy and, on the other, the actions of those with whom we trade. Canada really is a major trading nation. In British Columbia, the Prime Minister said that almost 50 per cent of our goods are exported. I think the figure is higher than that. I think probably about 70 per cent of Canadian production, either directly or indirectly, is export oriented. Our monetary policy, in other words, must keep in step with that of our trading partners, basically the countries of the western world. The Minister of Finance has failed miserably to accomplish this. If we had kept in step we would not have needed to float our dollar, unless he wanted our dollar to come up to par with the United States dollar. I have not heard him say that. On the other hand, I have heard him say that he wants our dollar to be worth 95 cents or less in terms of the United States dollar. He ought to be taking steps to do that and he is not doing so.

Measures to Improve Economy

The Prime Minister is still caught up in his fears about inflation. He wonders which is best, high employment and high inflation or high unemployment and no inflation. You cannot state the problem that simply. We have to consider the rest of the world. If there is inflation in the rest of the world, surely we need some inflation in Canada, although I should like to think of it as being lower than that in the rest of the world. Otherwise, our dollar would become too strong and we would price ourselves out of world markets in that way, as well. We can clearly see that we have been out of step with our trading partners in the western world. We must get in step with them, because a great deal of Canada's employment depends on export projects.

Why does this country which is capable of producing a great deal depend so much on exports? We do not have to depend on exports. The fact of the matter is that we can buy imports more cheaply than the goods we can produce here. So, we must get in step with the rest of the world so that Canadians can be induced to buy Canadian produced goods and so that Canadian produced goods have a chance in the markets of the world. The Minister of Finance has failed in that Canada's monetary policy has not kept in step with policies prevailing in the rest of the world. He has failed miserably in creating an economic climate in Canada in which the current work force will be absorbed in the economy and in which the increase in the labour force, an increase resulting from the natural rate of growth in this country, will be absorbed in the economy. To my way of thinking that is the most serious charge to be made against the minister. I commend the hon. member for Duvernay for resigning from the cabinet. In doing so he pointed out vividly to the Canadian people that all was not well with our economic policies and that action ought to be taken.

I urge the Canadian people who are to go to the polls on May 31 in the four by-elections to register their disgust with the way the Canadian government has managed their economic affairs. One could talk about monetary policy all day; that really does not touch the imaginations of many of the little people throughout Canada. On the other hand, the subject does touch the pocketbooks of many of our little people and, as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) so aptly put it, government policies have detracted from the opportunities of young people to become part of the growing and viable economy that we ought to have in Canada. I severely condemn the Minister of Finance because of his inept handling of the Canadian economy and economic policy in the past two years.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, on May 18, 1971, with June around the corner and July and August in our immediate future, with September looming, that being the month in which we begin to see lay-offs in small industries and decreasing employment opportunities, with the temperatures in the seventies and the prospect of temperatures rising to the eighties. we should not be talking about unemployment. It was no consolation to Canadians who listened to the Minister of Finance (Mr. Benson) today to hear that he

blamed unemployment on God and on a late spring. First, it is not correct that we have had a late spring. Actually, in those areas where we have the worst unemployment at the moment, spring has been at least one month early. I was astounded to learn this week that the regional director for the Atlantic region said there was excessive unemployment in that area because of the late spring. He knows that is not correct, and he knows that spring this year has been relatively early.

It was little consolation to listen to the Prime Minister (Mr. Trudeau) on national television on Sunday night talking about the reasons behind government policies of about one year ago. He suggested that they created the situation we have today. The Prime Minister suggested that Canada had to opt for an anti-inflationary policy because inflation and the runaway effects of inflation would have such a detrimental effect on unemployment. Of all the countries, the minister used Latin America as an example. He said that we can see what is happening in Latin America. He tried to create the impression that today inflation in Canada had reached such devastating proportions that it had to be brought under control at all costs. Second, he indicated that because we are an exporting nation largely dependent on exports to the United States and other countries, inflation had to be checked. Third, he indicated that the reason it had to be checked was its effect on the little man, people on fixed incomes, seasonally employed, on pensions and people who receive $250 or $300 a month on which to raise a family. These are the people who will be hurt if inflation is not brought under control.

• (5:20 p.m.)

The fallacies are simple. The Prime Minister and his government have created the demon of inflation. Inflation had never reached the proportions it reached in Canada in 1970. We never had to create massive unemployment to bring it under control. The Prime Minister created the feeling of "Trudeauphobia" and the fear of inflation in order to justify the sad state of affairs, as well as the selection of very serious and chronic economic policies.

The minister referred to the export situation. We all know that if we have inflation at the rate of 10 per cent a year and our neighbours have inflation at the rate of 5 per cent a year, we are hurting our export markets. The fact is that our greatest export market, the United States, had an inflationary rate of 6 per cent last year. We had a rate of 1.5 per cent. I am no economist, but it is simple logic that the aim of Canada should be to keep inflation in harmony with that in the nations to which we export our produce in order to remain competitive. The fact is that it is a comparative problem.

Another fallacy is that the very people the Prime Minister wants to help with his anti-inflation policies, those on fixed incomes, seasonally and marginally employed and the unemployed, are the people who have been most adversely affected. They have been rendered unemployed. Members opposite know that this is a fact.

The results of the present policies have been massive unemployment, an increase in regional disparity, much more difficulty in trying to export the unfinished resource products of the agricultural industry, the forest industry including the paper industry, the fishing industry and the mining industry. All those areas which differ from the more industrialized regions of Canada, such as the Atlantic region, Quebec, and the northern prairie region and parts of British Columbia are the areas that have been most adversely affected.

We have had a tremendous loss in potential. If members had time to ponder this fact, they would see the effect which this loss of potential had on Canada. If an industry is forced to cut back, lay off and produce at a slower rate, it has to charge more in order to increase its margin of profit. Everyone knows the effect that has on inflation. It is impossible for any member to develop the extent of the problem in 15 minutes. In the few minutes which I have, I want to dwell on some suggestions. I have been advised by the Minister of Finance (Mr. Benson) that he will at least read these recommendations.

First, the minister should seriously consider abdicating his role as Minister of Finance. I do not believe that the minister has confidence in his policies. In fact, I do not believe they are his policies. I believe that the Prime Minister is cramming these policies down the throats of the cabinet members. Like the Canadian people, whether they like it or lump it, they have to swallow them. The Minister of Finance ought to be honourable and consider abdicating his present role.

Second, it is time that the Prime Minister assumed his responsibility and stated what the Canadian government, now in power with 152 members, has as its expectations for inflation and unemployment in Canada in 1971 and for successive years. Someone has to assume the responsibility of setting the goals and expectations for the Canadian nation. Will we tolerate 3 per cent inflation? Are we prepared to tolerate 6 per cent inflation? Are we prepared to tolerate 3 per cent unemployment? What are the goals the Canadian people can expect for 1971 and the successive years?

It is not good enough for the Prime Minister to appear on national television and ask the Canadian people to define what is meant by the term "full unemployment". This government which was elected by the Canadian people has the responsibility of setting the goals and expectations. If they are not prepared to do this, the least they can do is reduce expenditures $2 million by laying off Mr. Young and his bunch of boys who are running political interference for the government.

Third, the government should reassess its monetary and fiscal policies on a regional basis. I visited the province of Prince Edward Island last week. This month that province has 10.1 per cent unemployment on an actual unemployment basis. I believe that is the figure. The reason for this situation is that they cannot sell their agricultural produce to the New England market because of the tariff structure. The time has come when the government must realize that policies which are uniformly applied across Canada disadvantage some regions, especially the slow growth areas. We are the first to feel the pinch and slow down. We feel it to the greatest extent. We are the last to feel the effects of recovery.

Somebody has to face these facts, even though our small population does not justify it on a political basis.

Fourth, we must reassess our policy of incentives and loans to industry, especially in the slow growth areas. The three recent reports by the Minister of Finance and his parliamentary secretary bear me out on this. They indicate that in the slow growth areas, such as in the Atlantic regions, particular industries cannot avail themselves of the loans guaranteed by the government. The lending institutions refuse to co-operate. I am not saying the legislation is bad, but some way has to be found to enable industries to take fuller advantage of loan programs. If we expect these industries to recover, expand, grow and develop, we must make money available to them. The industries that find it most difficult to avail themselves of loans at the present time are the industries in the slow growth areas.

The major point I want to make is that the tax uncertainty in this nation has a crippling effect on our economy. People do not know where they are going. They do not know whether to expand. They do not know whether to take their few dollars out of the bank and invest them because they do not know when this valuation of assets will take place. They do not know about capital gains, the protective tariffs for small business and concessions to mining companies. All in all, the tax uncertainty is having a detrimental effect on the economy. The minister has been on the horns of a dilemma for a year in connection with these tax proposals. I am not prepared to wait for a month. Some indication has to be given of the present tax position of this government.

Another point is that the government must reassess its priorities. Many members religiously avoid mentioning the emphasis that is put today on linguistic equality in this nation. I continuously receive representations from concerned Canadian taxpayers on this matter. There is a tremendous effort being made in this country to bring about linguistic equality. On the west coast of the province of Newfoundland there is a place called Port au Port. The hon. member who represents that area can speak with authority on this. There is a very small group of people who live in that district who have been assimilated over the years. Now, this area has been classified as a bilingual district. Everything must be done on a bilingual basis, including the distribution of information. I believe it was in 1964 that Professor Stoker, a linguistic expert at the university, said that three years previously the process of assimilation had reached the stage where the people no longer had any desire to have a separate culture or anything of this nature. Yet that part of our country has been designated as a bilingual district.

Every day dozens of circulars and pieces of literature cross my desk. Whether we like it or not, they are printed in both languages. I can go further and state that there are civil servants taking language immersion courses who will retire before their courses are completed. There is no sense to this. I contend that a lot of problems in Canada, including Quebec, are economic, not language problems. I would like to see the present government reassess the problems and adopt some policy positions.

• (5:30 p.m.)

Ever since 1968 the Prime Minister of this country has acted like a great, charismatic leader on television, in this House and elsewhere. I have never heard him state in the House or publicly what he considers to be the priorities for this nation. I have never heard him state any clear, definitive policy positions. I have never heard him state any manpower policy positions. I have never heard him state any foreign-ownership policy positions. I have never heard him state any resource development policy position. This country cannot continue without being given some indication of over-all government policy.

You cannot kiss away the problems facing the Canadian nation at this moment. You cannot kiss away the unemployment problem facing Canada, the depression being experienced by the agricultural industry or the forest industry. Someone has to stand up and sanely, soberly and rationally lay down priorities and policy positions that are based on hard-nosed facts.

This is not a popularity contest that we are running, Mr. Speaker. Here we are in the month of May, and I suggest it is not enough for the Minister of Finance to tell the country that we are going to recover, that unemployment is going downhill. Are Canadians going to be satisfied come September when they have had only six weeks' work? I remind hon. gentlemen across the way that there are 659,000 Canadians out of work. Are they going to be satisfied, when the lay-offs start in September and the cold winter months are ahead of them, that this country is commencing a recovery? In my own province 16.4 per cent of the people are unemployed. This represents 25,000 people. This is the most diluted kind of statistic because the true figure may be more than 20 per cent. When people tell me that things are going to be better next week, I tell them that they are not better today. The Trudeaumania that swept this country in 1968 is fast becoming Trudeauphobia, and it is time we brought it to a stop.

Mr. John Burton (Regina East): Mr. Speaker, I think the evidence that has been presented to members of this House in the past few days, and over the past several months in particular, demonstrates a total failure on the part of the government to deal with the problems facing the Canadian economy. I feel that the actions taken by the Liberal government can be summed up by placing them in three general categories. We have seen examples of gross mismanagement, of poor or bad judgment, and a lack of courage in dealing with Canada's economic problems.

If I may turn to each of these three categories in turn, one example of mismanagement that comes readily to mind has to do with the student summer employment program announced by the government not long ago. I find it very interesting to note the comments of some of the officials who say they feel we are doing reasonably

well in dealing with this situation, considering that the program had been introduced so late in the season. I suggest this is nothing but poor management. The government has been unable to bring forward its announcements and plans until this late date, and this will have a detrimental effect on solving the over-all problems facing the Canadian economy at this time.

Secondly, with respect to poor judgment we have very ready examples of this in the inadequacy of government programs which have been introduced over the past year or two to cope with the series of economic problems that have arisen. I have read in a number of publications, such as *The Executive*, a magazine certainly not unsympathetic to the federal government, and elsewhere that government officials were astounded that the economy had been so slow in responding to some of the policy initiatives introduced by the government, first of all to deal with the problem of inflation which the government was really rolling up its sleeves to tackle. It took a long time to get any sort of response at all. I read that government officials simply could not understand this and were very surprised that the economy was so slow in responding to the measures taken by the government.

Similarly in dealing with the unemployment problem which has grown rapidly during the past winter, again government officials could not understand, according to some of the publications I have read, why it took so long for the economy to respond to some of the initiatives that the Minister of Finance (Mr. Benson) and others were bragging about in this House. I feel this is a case of poor judgment. Somehow the government has lost its grip on and control of the situation. It is not able to handle it any longer, so it flounders about from crisis to crisis. In addition we have seen a demonstrated lack of courage in tackling some of the problems that exist.

To analyse the situation I think we must look at what is happening to the Canadian economy today. Why have government officials been so surprised? Why has the government found it difficult to understand why the economy has been so slow to respond to policy initiatives? I think the answer is very simple: the Canadian economy has changed. It is a different sort of economy today from what it was a number of years ago. Today we have a managed economy, not an economy managed by the government or an economy that is operating in a free market but one that for the most part is controlled by large corporations which call the tune, which take the initiatives that determine the course of affairs in the Canadian economy. I have seen it demonstrated by this government that it is not willing to tackle the sources of economic power in Canada, or the seat of economy power in Canada, in order to deal with the economic problems that are plaguing the Canadian nation.

This afternoon I listened to the Minister of Finance taking part in this debate and could not help but feel sorry for him. I thought back to last Thursday and his statements about the unemployment figures that were announced. He simply could not understand what was the trouble, what was causing the increase or why it was that government policies had not been more effective. He was floundering about in helpless fashion. We had a further example this afternoon when the minister was pretty hard put to try to come up with any sort of plausible defence of government policy.

It seems to me that there is a noticeable lack of enthusiasm and support for the minister and his policies from the government benches. This is demonstrated by the absence of participation in this debate by government members. Since the Minister of Finance spoke, I understand that one other government member has made a speech in the debate, which is one more indicator to me that there is a very noticeable lack of enthusiasm for the policies of the minister and for the situation in which he finds himself. In response to the speech made by my colleague from Waterloo (Mr. Saltsman) the minister tried to say that many countries would like to have an economy with the record that Canada's has. I question that statement very much. Many countries are doing as well as or better than Canada, and with a good deal less in the way of resources at their disposal.

I note that the minister also disagreed with my colleague in his references to the need to put the resource industries of Canada—the primary resource industries, the minerals industry, and so on—on the same footing as the rest of the Canadian economy and to take away the special advantages that they enjoy today. The minister has the right to disagree. In fact, in doing so he is being consistent because this is in line with the statements he has made over the past several months in which he made it very clear that the tax concessions which these industries have enjoyed for so many years will be continued for a further period.

I also noted that the Minister of Finance did acknowledge that there were some problems. I believe he referred to them as trouble spots in Canada. It seems to me a rather euphemistic expression, to refer to the 659,000 people in Canada who were out of work during the month of April as simply being trouble spots. That is a great many trouble spots! I suggest it is time the Minister of Finance woke up and realized the situation.

• (5:40 p.m.)

He also attempted to analyse the unemployment situation. If I interpreted him correctly, he gave the impression there are problems but things are going all right; there are some good indicators in the Canadian economy which show that things are on the upward trend. This does not do away with the fact that there are still 659,000 people out of work.

I was also amazed to note that the Minister of Finance was so hard up to find a defence for his policies and, in some cases, the lack of them, that he had to start worrying about the recent NDP federal convention. I suggest he will have to worry a great deal more about the NDP and its federal convention than he has up to the present time. I assure him, just to set his mind at rest, that there is absolutely no problem of reconciliation between NDP policy as set down at that convention and past conventions and the position being taken by NDP members of the House of Commons.

The Minister of Finance did acknowledge that there were some problems concerning unemployment, and that unemployment was at a level which made all of us unhappy. I should not expect any less from the minister in that regard. It seems to me he must take a closer look at what is happening to the Canadian economy at the present time. The fact is that in April, 1971, there were 342,000 people in Canada who had been out of work for four months or longer. That compares with 308,000 people in the same category in March, 1971, and only 229,000 in the same category in April of 1970.

Attention has also been drawn to the large number of young people who are out of work at the present time. This is a source of serious concern in Canada. I also find that there has been an increase in unemployment at every age level set out by the Dominion Bureau of Statistics. I noticed that the minister was so hard pressed to deal with the problem that he had to blame it on the winter. I acknowledge there have been problems in some parts of Canada in that regard which would have a temporary effect and which may be overcome in another month. I also know that in every region across Canada, except in the parts furthest west, there was a notable increase in unemployment in the month of April as compared with March.

In the Atlantic region, unemployment for April was 11.6 per cent, compared with 10.9 per cent in the month of March. I have not been in the Atlantic provinces recently, but the information I have does not suggest that their winter or spring conditions were so bad they could account for the increase in unemployment that took place between March and April. It seems to me a much closer analysis is required of the situation than the Minister of Finance has come forward with up to the present time.

I should like to briefly refer to three areas which I think deserve special attention in attempting to deal with Canada's serious economic situation. The first area concerns the problems of rural Canada. This is having a very serious effect on the Canadian economy. Farm income in Canada in 1970 was $1.198 million, which is 23.9 per cent less than the 1969 level of $1.595 million. This is bound to have a serious effect on the Canadian economy and on employment in centres such as Brantford where a large part of the farm machinery manufacturing industry is located.

In my own province of Saskatchewan, the farm net income in 1970 was $202 million. This is $200 million less than the $402 million for 1969. In 1970 the net income level for farmers in Saskatchewan was cut in half. We see the results of what is happening in the drift away from farms into the cities of people who do not have skills with which they can demand a decent and adequate level of income. We also see what is happening to our rural communities and small urban centres, those complexes involved with the rural community structure. We have made proposals for emergency assistance on a long-term basis which would help to deal with these problems by increasing the net income available to farmers and our rural people. These would be much more beneficial than the proposals which have been brought forward by the government.

Secondly, I suggest the government's policy dealing with regional development has been an unmitigated disaster. The minister sloughs off criticism, but he is not able to come up with any concrete answers. He simply says we are doing all right, we are giving away millions of dollars in grants, much of it to large corporations which have no need of it. There are no plans available to deal with the economic problems of the underdeveloped regions of Canada or regions which do not come up to the average of Canadian income.

I suggest, thirdly, there is a need for reorientation of our trade policy. I noticed the Minister of Industry, Trade and Commerce (Mr. Pepin) was bragging this afternoon about our export surplus when answering a question during the question period. On the other hand, the Minister of Finance was expressing concern and worry about the export surplus. This shows that the government is having a good deal of difficulty co-ordinating its position. We must find out what our trade policy is. The Minister of Industry, Trade and Commerce always answers by saying we must keep a balance.

What is the government doing to take into account the growth of new trade complexes, particularly the European Common Market? How are we going to adjust to this, and what is the government's response? The minister says we are going to undertake multilateral negotiations to reduce tariffs and other non-tariff trade barriers in Canada. We have to come up with alternatives. Canada must consider what it will do if such multilateral negotiations are not successful or are not possible. We have yet to hear from the government what its answers are. I commend the motion moved by my colleague the hon. member for Waterloo (Mr. Saltsman).

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, while I cannot support this motion put forward by the hon. member of the NDP, I think it is a good idea in one sense to have a debate at this time on the economic status of the country. I say this for three reasons. This country is experiencing, and in all likelihood will continue to experience, levels of unemployment without economic or humane justification. It has become manifestly apparent that the government's attempts to curb inflation have not been successful in that they have not had any effect in reducing unemployment.

Finally, the government has allowed the Canadian dollar to reach a level in international monetary markets which, by the Prime Minister's own admission recently in Vancouver, is harming our international trade upon which our economy is vitally dependent. This can be related particularly to the economy of the western grains industry which last year lost $90 million to $100 million as a result of the increased value of the dollar.

The government has suffered the embarrassment of having two of its most articulate ministers resign from the cabinet over its economic policies. In more normal times one would be content to view such resignations as a somewhat unavoidable result of the interplay of strong personalities. However, when one examines the figures of the labour force contained in the press release for the week ending April 17, he finds that the unadjusted rate

of unemployment is 7.8 per cent. When one also remembers that the increase in unemployment is the largest in 13 years, one begins to understand some of the true and bitter realities of the current state of our economy.

• (5:50 p.m.)

It cannot but be cause for the most serious concern by each of us in the House when we remember that the unemployment figures to which I have referred do not include the effect on the Canadian labour force of the several hundred thousand young people who will be leaving our secondary schools, technical colleges and universities to seek either permanent or temporary employment. Let us also remember that at about this time of year a very large percentage of the people undergoing training courses sponsored by the Department of Manpower and Immigration will be coming onto the labour market.

Notwithstanding the infinitely broader and perhaps even more fundamental question of the effects of automation on the concept of full employment in a highly industrialized and specialized society such as we have, we must remember that not only is the work ethic still dominant in Canada but more important is the fact that work is a basic necessity for the individual's well-being as well as that of the nation collectively. In our society one is defined largely in terms of what he does to earn his living. I do not suggest that this is a correct concept, but it is an inescapable fact. Thus, when one is deprived of the opportunity to earn his living he becomes deprived of much of his personal sense of worth.

The sociological and psychological effects of mass unemployment, particularly amongst our young, well educated people, our skilled tradesmen and technicians, is an evil which must be rooted out of our society before it leads to the most destructive consequences. No longer are our people prepared to accept such conditions as inevitable features of a free enterprise economy. If the government cannot find the solution to the malignancy of massive unemployment, I have not the slightest doubt that the radical forces in this country will be joined by a great many of our younger citizens who are, understandably, disillusioned with the inability of the government, with all its massive resources, to lead this country in a manner which enables those who are capable and desirous of working to find appropriate employment.

Mr. Speaker, it is all very well for the Prime Minister (Mr. Trudeau) to say that he accepts the responsibility for unemployment, but I ask: What are the practical effects of such a declaration? Does it in any significant way ease the soul-destroying anguish of the unemployed father whose insurance benefits have expired and who, still being unable to find employment because of the government's economic policies, must now resort to the indignity of seeking welfare to sustain his family? I can assure you that the Prime Minister's words are of no comfort whatever.

There is an old cliché which states that poverty is not a disgrace. I say that in this country, in this day and age, poverty brought about in large measure by the government's deliberate policies is not only a disgrace but a moral condemnation of our whole society. We are not without control over our economic destiny and when the government embarks on certain courses of action it is because it has chosen them over others. The policies which the present government has pursued in attempting to manage the economy reflect the most insensitive aspects of nineteenth century economic thinking.

One can only hope that on some glorious day in the next few weeks, possibly on the occasion of the presentation of the budget to this House next month, the Minister of Finance (Mr. Benson) and his chief advisers will be dragged into the twentieth century, notwithstanding the resistance which they will obviously offer to the pursuit of policies which reflect and serve the needs of the average Canadian as opposed to satisfying the view of the government's economic advisers whose advice, presuming it has been accepted, has so disastrously affected our country.

Mr. Speaker, figures recently released by the government indicate that its battle against inflation could well result in its being routed out of office by a justifiably angered population. The trend in the first quarter of this year indicates that if inflation continues to grow at its present rate we shall have nearly 6 per cent inflation for the whole year. Once again, people on fixed incomes or modest pensions, who are supposed to be the beneficiaries of the government's anti-inflationary policies, will be the most cruelly affected. We must also consider the effect of this renewed round of inflationary pressures on interest rates generally in our economy.

In the *Globe and Mail* of today I noted in the financial section an article entitled "Interest rate rise looms". The article dealt in general terms with the effect on interest rates in the United States of the current international monetary difficulties in Europe, as well as the general reappearance of inflationary factors in the economy. I should like to quote one paragraph from that article because of its relevance to Canada. It reads:

> An indication of the kind of problems posed to potential borrowers by today's capital market conditions is Quebec's continuing hesitation over its planned 100 million dollars (United States) issue in New York. Postponed once because of market uncertainties, this is currently scheduled for early next week. But the province's financial managers remain very concerned about disturbed market conditions, and it would not be at all surprising if the issue were postponed again.

Mr. Speaker, when borrowers become apprehensive about borrowing because of existing interest rates, or provisions in their borrowing contracts to provide for adjustments according to market fluctuations, or when lenders refuse to do so unless borrowers agree to escalator clauses in the borrowing market, then the market reaches a situation which prohibits growth because the capital investment on which our economy is so dependent becomes simply too speculative and risky for either the borrower or the lender.

When mortgage rates—I am speaking of prime mortgages—command interest rates of 10 per cent and 11 per cent as they have in recent months, and when businessmen must pay similar rates or even higher in order to

borrow money needed for their day to day operations, one sees just how blatantly ineffective the government's so-called anti-inflationary policies have been. What disturbs me is that our chartered banks, trust and insurance companies and other major lenders having tasted the sweet blood of double-figured interest rates will not be content to have interest rates return to sensible levels. Again, I think it is quite clear that the government's record in attempting to use its influence and authority to drive down interest rates has been singularly ineffective.

On March 18 there appeared a very timely and forthright editorial in the *Globe and Mail* on Canada's chartered banks, entitled "Their account is overdrawn". I should like to quote the first paragraph of this editorial.

Mr. Speaker: Order, please. I should bring to the attention of hon. members that it is six o'clock. The hon. member has about five minutes remaining to him by virtue of the order passed earlier this day. Is it the wish of hon. members that the hon. member for Dauphin (Mr. Ritchie) be allowed to conclude his remarks now?

Some hon. Members: Agreed.

Mr. Ritchie: Thank you, Mr. Speaker. I should also like to thank the House for its courtesy. I was about to quote an editorial which reads in part as follows:

> Things are tough all over, as the spokesmen for Canada's chartered banks were saying just the other day. So they have sought unanimous solace in an adjustment of the charges they make for most services. There will be a 33 per cent increase in charges on current accounts, a 27 per cent increase in the cost of writing personal cheques, and a 33 per cent increase in the charge for paying utility bills through bank branches.

Mr. Speaker, I shall leave that point and pass on to my last point of disagreement with the government's management of our economy, which involves the unpegging of the Canadian dollar. At a time when Canadian industry has been experiencing inflation at home increasingly strong competition from other countries for its world markets and excessive demands by some parts of the economy, the government has for some mysterious reason seen fit to aggravate their difficulties by unpegging our dollar and allowing it to rise to parity with the United States dollar. In fairness I must say that the Minister of Finance and the government have been consistent in refusing to alter the decision once it had been made. No matter how harmful or manifestly wrong it is shown to be for Canada, they will nevertheless continue to cling to it.

Mr. Speaker, in the Montreal *Gazette* of May 6, 1971, there appeared an article by that paper's financial columnist, Mr. John Meyer, entitled "And what if our dollar had been repegged?". It reads:

• (6:00 p.m.)

> Finance Minister Benson has refused to be rushed into repegging the Canadian dollar. The wisdom of that course should now be readily apparent in the difficulties being experienced by West Germany and, to a lesser degree, Holland, Belgium, Austria and Switzerland. The deutschemark has been formally set afloat and the currencies of the other countries are floating in fact, if not yet formally proclaimed to be doing so.
>
> Had the Canadian dollar been repegged, it too would be under the sort of pressure being felt in Europe and which, in the long run, courts national bankruptcy to attempt to resist indefinitely.

Finally, he says:

> It's extremely doubtful that the United States feels any serious compulsion to go beyond the current adjustments in its policies. Why should it? It's the principal beneficiary of any upward revaluation, relative to the U.S. dollar, or the deutschemark or any other currency, including the Canadian dollar. The higher the foreign currency, the less competitive are imports, the more competitive American exports...
>
> What is being demonstrated here is the extent to which, in a context of fixed currency relationships, the policies adopted in the United States can influence those of its trading partners. When those policies are taken to extremes, as they have been the past two years, they can cause similarly extreme reactions abroad until relief is obtained by breaking away from a fixed relationship.

I think it is time for the Canadian government to look at the repegging of the Canadian dollar, even if it is done in the so-called narrow range, with a crawling peg or by some other mechanism. I think our exports will be hurt badly if we do not look very closely at the value of the Canadian dollar.

Mr. Speaker: It being after six o'clock, I do now leave the chair. The House will resume at 8 p.m.

At 6.05 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my personal approach to the economic question is dictated by a strong sense of relativity. In every crisis I have witnessed, in Canada or abroad, I have seen very competent men, men of demonstrated good will, taking completely opposite positions, offering contradictory solutions. The good remedies of some may have failed and the bad remedies of others may have succeeded. This may be the reason why some newspapers print in separate but opposite columns the differing opinions of experts, namely to pinpoint their variety of opinions.

I drew the conclusion, Mr. Speaker, that economics is an inaccurate science and a difficult art where humility is appropriate, and even essential. That is why I consider as somewhat out of place certain opinions expressed this afternoon, in particular by the hon. member for Waterloo (Mr. Saltsman)—who is usually such a likable fellow—who terms the government as "ignorant, incompetent, dishonest and arrogant".

The Leader of the Opposition (Mr. Stanfield) spoke somewhat in the same vein, using the words "complacency, drifting, creating massive unemployment", etc., and charging the government with systematically creating unemployment, as if the control of inflation was not

justified in terms of protecting jobs, the incomes of people on fixed income and our exports.

In my opinion, Mr. Speaker, there are a good many factors involved in an economic situation which relate to tax policy, monetary policy, industrial policy, wage policy, federal-provincial relations, employer-employee relations, international conditions both economic and political, factors over which the government often has little or no control whatsoever, psychological factors the success of which may not be assured even with the best planning and the best administration, especially in an open economy, within a liberal or joint undertakings system such as the one we have in Canada. The best ship has to face the storm!

This is the reason why it seems to me that the main thing is to strike a balance among these ever-changing factors, in the best possible way, to act with common sense, with well-informed, enlightened, alert, and flexible empiricism, and, to make a long story short, to do whatever seems best and let the hens cackle, as the saying goes.

These remarks may appear naive to some people but, as far as I am concerned, I prefer to appear naive than to be so.

What did the Minister of Finance (Mr. Benson) say to us this afternoon? Three things: First, that one must not judge the economy of a country on one single index, the unemployment index, although it is very disquieting and important. He suggested that others be considered, such as the gross national product, the sales index, bank loans, interest rates, investments, house building, and on the basis of these other indicators, he concluded that—

—the economy was moving at an accelerated rate.

Now, Mr. Speaker, this makes sense to me. One must not judge complex situation on the basis of a single index.

He reminded us of measures taken by the federal and provincial governments to solve the unemployment problem: monetary, fiscal, social and administrative measures. He suggested that Canadians be patient and persevere a little, as we say in Drummondville, so as to know the effect of his action, adding that he was quite ready to adjust slightly his range if necessary.

This seems wise to me, Mr. Speaker, this spells good sense to me.

Third, he told us that the opponents of the government recommend different action, according to the party or even to the wing of the party to which they belong, according to the various stages of their intellectual development. Then he quoted some authors, some institutions which share the opinion of the government about the approach to solve Canada's present economic difficulties.

All this, Mr. Speaker, appears to me as a normal, thoughtful, well-balanced position in these circumstances, and I do think that what the Minister of Finance said this afternoon will meet with general acceptance from the public opinion.

The motion of the hon. member for Waterloo calls upon the government to adopt a planned investment policy, to stimulate the development of secondary manufacturing. Unfortunately he did not elaborate in his much too short address. However, having heard his views often enough, I think I know them.

What is involved here, what is hinted, is that we do not have enough planning, that we do not stimulate secondary manufacturing adequately or well enough. We know that the hon. member for Waterloo believes in planning whereas many other people, even socialists or their sympathizers, nowadays look in a rather detached way at it; apparently his faith has remained intact.

However, through the trips I made recently to the USSR and to Germany I was confirmed in my view that even the most adamant advocates of planning nowadays display some detachment.

I personally feel that governments in general should do more and better planning without discrimination, with intelligence, flexibility and in all freedom, as said a reputed writer. I think that the present government is doing so increasingly, better and better, with the avowed or implied co-operation of industry and the provinces. But, of course, such things are never done well enough. There is always room for improvement.

But it is not because we do not have a five-year program that there is no planning. The hon. member for Waterloo often reminds me of those old constitutionalists who believed that there was no English constitution because it was not written in one document, because it could not be put in one's pocket.

• (8:10 p.m.)

[*English*]

Secondary industry is not having an easy time in this country at the moment, I will admit. This is known and recognized by the government, and the reasons are also well known. Canada has a small domestic market, there is a restriction to trade in the world and, consequently, a lack of economies of scale and specialization in many cases.

Mr. Woolliams: A free dollar was out of competition with the rest of the world.

Mr. Pepin: I will come to that.

Mr. Woolliams: I don't know who wrote that, but I am just telling you.

The Acting Speaker (Mr. Richard): Order.

Mr. Pepin: I am well aware of a few things, and some others that my friend is not aware of. The government is working hard to improve the basic viability of this important sector of our economy. This is done by providing assistance covering all stages of the product cycle and helping in the rationalization of sectors in difficulty. It is also being done by gaining access to wider markets and by active participation in international negotiations.

If I had more time, Mr. Speaker, I would indicate the extent of negotiations going on right now in all parts of the world in which this government is having some suc-

cess recently as, for instance, the EEC enlargement negotiations.

The government is also providing assistance to marketing by exporters all around the world. These efforts are bearing fruit, as witness the improvement in the manufacturing sector of the Canadian economy, in output, productivity, employment, investment and export of manufactured products.

On a number of occasions I have told the hon. member for Prince Edward-Hastings (Mr. Hees) that manufactured products constitute a greater and greater part of our export performance. They have increased from about 10 per cent at the beginning of the sixties to something like 40 per cent at the present time. Those who say that there has been no major improvement in the situation pertaining to secondary industries should look at the facts.

I recognize, however, that the forward trend was interrupted last year. I am aware of the monetary situation not only in Canada but in the world in that period. There was slow demand in Canada and in the United States, labour and other cost increases, high interest rates, low returns to producers. In such circumstances, everything that is relatively marginal in the secondary industry sector is, of course, subject to tremendous pressure.

Mr. Thompson: Bad government policy.

Mr. Pepin: Is that the extent of the contribution of the hon. member to this debate?

Mr. Thompson: Give us time.

Mr. Pepin: A number of these factors, Mr. Speaker, are in the process of being corrected. My department is doing all it can to counter these forces, with some success. First of all, our services as a department are becoming more competent, more aggressive and are being better received by industry. Research and development funds are increasing; they increased 27 per cent in 1970 over 1969, and 24 per cent in 1971 over 1970. This constitutes a sum of $85 million which is being provided to industry for research and development.

Our whole programs have been improved. For example, the PAIT program has been improved in the sense that what used to be loans are now grants, and consequently the program is much more popular. Restructuring of industry in certain centres which are in difficulty is a major preoccupation of the department. For example, the GAAP program has been extended to cover the textile and footwear industries. Some special programs have been created. There is, for example, the export subsidy to ships which is already a major success. My friends are aware of the fact that already $100 million worth of ships have been ordered from Canadian shipyards for export and there is more to come.

[*Translation*]

The Export Development Corporation is also doing more and more with more and more success. In 1969, the amount of export insurance reached $242 million; in 1970, this figure was increased to $500 million and will at least remain at the same level in 1971.

As regards financing, the Corporation has financed $65 million worth of exports in 1969, $100 million in 1970 and $200 million during the first three months of 1971.

Mr. Speaker, I am trying to show how the government is trying to compensate some difficulties inherent to the manufacturing sector through other kinds of assistance.

The same applies to the marketing sector. Our exhibitions and missions are contributing to increase our exports in the industrial sector.

• (8:20 p.m.)

[*English*]

There are two examples, Mr. Speaker, that I want to mention in conclusion to illustrate the fact that we are having success in developing exports for manufactured products and, consequently, that we are helping to strengthen the secondary manufacturing sector. The value of the average annual export sales of Canadian railway rolling-stock over the last five years was $13.6 million. During the past 12 months—listen to this—the Canadian industry has broken into several new market areas with sales of 35 locomotives to East Africa, 54 to Nigeria, 6 to Jamaica, 57 to Yugoslavia, 46 commuter cars to the New York subway, 26 tank cars to Mexico and 604 gondola-type ore cars to Australia, for a total value of about $80 million. This again compares with an average of $13.6 million in the last five years. It indicates the amount of marketing support being offered by the government.

May I cite one further example and give one more figure. Yesterday, in Montreal, I announced that the Marconi Company was getting a $23 million order from Iran. This is the result of the opening of a line of credit by the Export Development Corporation to the government of Iran in order to allow that government to buy in Canada communication equipment. That is another indication of what is being done to strengthen secondary industry—

The Acting Speaker (Mr. Richard): Order, please. The hon. member for Abitibi (Mr. Laprise).

Mr. Woolliams: On a point of order Mr. Speaker, I do not think the minister had finished. I wanted to hear everything he had to say so that I might be able to answer him. This is very important.

The Acting Speaker (Mr. Richard): Order, please. I hope the hon. member recognizes that according to the agreement made in the House while I was present this afternoon there was to be no extension of time.

Mr. Woolliams: Not even if there is consent, Mr. Speaker?

The Acting Speaker (Mr. Richard): If the hon. member wishes to seek agreement, that is different. The original agreement was made by unanimous consent. Does the House consent to break the agreement?

Mr. Knowles (Winnipeg North Centre): No, Mr. Speaker. It was a pretty good agreement. It was entered into in good faith. Let us keep it.

Mr. Woolliams: Where is the hon. member's consideration?

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would have been willing to listen to the rest of the minister's statement which would have taken only a few moments. From this statement we can however guess how he feels about his government's administration.

Of course I would have been quite surprised if the minister had condemned his government's policy. I do not think the Minister of Industry, Trade and Commerce (Mr. Pepin) would have had the nerve of the hon. member for Trinity (Mr. Hellyer), for instance, or of the former Minister of Communications (Mr. Kierans) who have both severely condemned this government's economic policy.

The contribution of the Minister of Industry, Trade and Commerce to this debate is rather insignificant, because we already knew that he was going to commend the approach of this party and of the cabinet, of which he is a member.

However, the people who might read his remarks as well as those of the Minister of Finance (Mr. Benson) will completely disagree with both of them.

Mr. Speaker, I wish to congratulate and thank the hon. member for Waterloo (Mr. Saltsman) for having introduced this motion this afternoon. It puts forward a number of quite acceptable principles. However, its success will depend on the performance of those called upon to apply them and to establish, as requested, special programs designed to move the economy to high employment.

In fact, the Liberal party tried to achieve such objectives, but, it seems to me, in a somewhat abnormal fashion. It proceeded from bottom to top, whereas it should have done the opposite.

The Minister of Regional Economic Expansion (Mr. Marchand), with his subsidies program, also tried to bring about a high level of employment, but with a view to solving the production problems. He attempted to settle non-existent problems, for there are no production problems in Canada at the present time. The Minister of Industry, Trade and Commerce has just said that he does his best to increase our export trade because we have too many products.

A war is now being waged among the provinces, because of a glut rather than a scarcity of products. The provincial authorities are now erecting walls between the provinces to prevent interprovincial trade.

Not so long ago, I heard the premier of Saskatchewan, Mr. Ross Thatcher, say that the main problem now is overproduction.

At a time when we find overproduction everywhere, the Minister of Regional Economic Expansion generously subsidizes the industries in order to help them produce more. All those amounts that are given out do not reach

[The Acting Speaker (Mr. Richard).]

the consumers because the problem does not exist at the production level but at the consumer level. That is where the real problem is.

Instead of subsidizing production, the minister and the government should have subsidized the consumers. Thus, consumers, particularly those who are in need—whether they are unemployed, handicapped people or older people—could have benefited from the production at their disposal and through consumer subsidies they could have ordered from producers and industrialists the kind of production they want.

But the opposite is the case at the present time; producers are subsidized and there are some who would like consumers to buy the goods that are made for them. But as the system in which we live is increasingly automated, those subsidies given out to the industry are not always profitable to workers but they are profitable to the machines that replace them.

• (8:30 p.m.)

I just read a report stating that some steelworks had been constructed in Japan recently where not a single worker is needed for the production of parts. One is needed at the door to direct the iron towards the works and, when the process is completed, another is required to ship the product.

The same situation can be found fairly often in a large number of industries, and we are told that in the near future a similar process will be used everywhere.

When industry is subsidized, it is fairly often the purchase of machinery to replace the workers that is subsidized. Consumers do not benefit from such subsidies and yet those are paid with their taxes.

The motion submitted by the hon. member for Waterloo states, in part:

—emergency economic measures to move the economy to high employment—

That is a change in the New Democratic Party's use of terms. Not so long ago, full employment was what we spoke of; now, we speak of a high level of employment because, when you give the matter some thought, it is increasingly difficult to achieve, full employment what with machinery, automation, cybernetics even.

The motion also calls for:

—expansionary monetary and fiscal policies

But no ways and means are indicated. There are means of extending the monetary field, but care must be exercised. It must indeed be noted that over the past 10, 20, 30 years, there has been a monetary expansion, but this has been achieved through debts. We are still paying interest on debts contracted 30 or 40 years ago. Such a monetary expansion is not favourable to the development of Canada, or to an improvement in the Canadian standard of living.

Expansion in the fiscal area is also advocated. That worries me because I have learned from experience in public affairs that every move toward fiscal expansion has always been to increase taxes. The only fiscal

changes that have been made have been tax increases. Therefore, this request worries me a lot.

The government is also called upon

—to achieve full potential growth through a planned investment and foreign ownership policy—

Mr. Speaker, I think this is acceptable with regard to local investments, but we must be careful about foreign capital. Indeed, we have seen the premiers of nearly all Canadian provinces go around the world in order to get foreign capital. But each time we succeeded in getting foreign countries interested in investing capital here, we paid for it. Each year, we must let profits go out of the country back to those investors. The fact that those sums or benefits go back to their foreign sources means that we are deprived of that much in capital assets.

So, Mr. Speaker, I think that local investment should be promoted to a much greater extent than foreign investment. But how is that going to be achieved?

It happens, Mr. Speaker, that in private industry or in business we lack funds. Savings accumulate here and there, but they are attracted by high interest rates offered by the federal, provincial and particularly municipal governments. The three levels of government are at war to attract the savings of individuals, because in the first place a rather high interest is paid, and also because garantees are offered on bond issues sold to the public. Thus all those savings are drained off by the public enterprise and none are left for private enterprises.

The Social Credit advocates the following solution. The government, through the Bank of Canada, should make funds available to non-profit public corporations which render some services to the Canadian people. Thus, individual savings would be available to private enterprise. We could then refer to local investments, because there would be some capital to invest.

Those are the few considerations which I wanted to state during my contribution to this debate on the motion under consideration.

The motion concludes with a request that a stimulus be provided for the development of secondary manufacturing. Well, Mr. Speaker, this request should have been complied with a long time ago.

There is a serious lack of secondary industries in Canada. We are still only extracting natural resources that we are mostly shipping as raw materials.

A few moments ago, I was referring to the case of a new highly automated Japanese steel mill. I did not say that this was the first one. In fact, there are many others and we are aware that Japan is a big importer of iron, coal and copper from Canada, but they import these as raw materials, to be refined and processed.

I think that in such a field, Canada would find it profitable to facilitate the establishment of industries to promote the creation of secondary industries, in order to process our raw materials here.

Our country, particularly the northern area, abounds in ores of various kinds and we are satisfied with burying our miners underground to extract the ore, ship it to foreign countries where it is refined and then shipped back to us for our own use. There is no rhyme or reason to this, and immediate steps should be taken to change this situation.

Thanks to our labour, equipment and technology we could be much more self-sufficient than we are today, and it would be to our advantage.

Those are the few considerations which I wanted to express tonight in connection with the motion before the House.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, it was rather refreshing to hear the Minister of Industry, Trade and Commerce (Mr. Pepin). He talked about the problems of the secondary industry, and unemployment. I thought back to 1962. At that time we pegged the dollar in order to permit our secondary industries and primary producers to compete in the world and regain full employment. At that time some hon. members, including some who are still here and the former Secretary of State for External Affairs who has gone to the other place, wandered up and down the land and brought our government to a minority position. Today the problem is that the government has freed the dollar and we have priced ourselves out of world-markets, no matter how you dish it out. That is the ironic part about politics.

The government does not now, and never has had, a comprehensive, realistic policy on foreign investment. We have heard a lot about it. At best, the government has instituted a series of ad hoc arrangements which mean that it is responding to one crisis after another. It is known as a crisis government. The government has substituted brinkmanship for sound, rational investment policy. The results for Canada have been catastrophic. As a result, we have high unemployment together with inflation, although the Prime Minister (Mr. Trudeau) said he had inflation licked. Inflation has licked the Prime Minister, and unemployment is going to lick this government.

• (8:40 p.m.)

The Canadian government's decision to save Home Oil for Canadian investors stands in glaring counter-distinction to this and the Quebec governments' intention to finance the James Bay project with foreign, mainly United States, capital to the tune of $2 billion, regardless of its effect on the ecology. So once again western Canada is discriminated against. Although Home Oil is one of the biggest independent companies in Canada, the government has said no, it cannot be sold to foreign investors. But it is fine if Quebec, through this government, brings in $2 billion of foreign investment to take over the resources of that province, when the province of Quebec—I hope Quebeckers will hear my voice through the media—has one of the highest unemployment rates in Canada. We are going to give away electrical energy. We are using United States capital to finance Quebec's resources and to give Americans jobs that the workers in the province of Quebec should have.

Mr. Boulanger: What would you do about it?

Measures to Improve Economy

Mr. Woolliams: If you will just listen I will tell you what can be done about it. This government has shown a glaring inability to do anything about it. There are certain facts that would constrain a rational approach by the government in the field of foreign investment. With respect to our foreign investment policy as it is applied to natural resource development, it is obvious that the federal government cannot have such a policy unless that policy intimately and meaningfully implicates the provincial governments. The reason for this is simple. It is the constitutional prerogative of the provinces to develop their own natural resources.

We all know what happened at the time of the Bennett government when the natural resources of western Canada were returned to the provinces. The federal government has only a limited role to play in this area. I agree that is the case, but it has to be worked out with the provinces. However, this limited role can be an important one if the federal government and the provinces can agree to certain guidelines relating to foreign investment and natural resource development. Such guidelines will always be impossible to achieve if the federal government persists in operating an economy wherein provincial governments find it difficult, if not impossible, to attain their own economic objectives. The reason Bourassa and the Quebec Liberal government has decided not to wait for Ottawa is that they, like Ontario and Alberta, are convinced that the federal government's economic policies are not in the best interests of Canada as a whole or any individual province.

The important thing to underline in any discussion concerning intergovernmental co-operation is the need for the federal government to pledge that it will do everything in its power to ensure that Canada fully utilizes all of its economic potential. A full employment, growth-oriented, dynamic economy ensures that Canada will gain economic degrees of freedom to pursue an independent, rational investment policy regarding our natural resources. The reason the Quebec government is not waiting for the federal government is that Quebec is convinced that the federal government's economic policies are not in Quebec's own interests; and neither are they in the interests of western Canada.

If Ottawa is not providing the economic climate which is conducive to Quebec's growth, then Quebec will go outside Canada to get the moneys available to develop Quebec, as it has had to do, at the same time handing over its jobs to United States workers. In the same sort of way, Ontario is not prepared to stand still while Ottawa screws up the Canadian economy. Intergovernmental co-operation on economic matters is impossible so long as the provinces are convinced that Ottawa's economics are not in their own best interests. This government will not even discuss a problem so important to the welfare of all Canadians at a constitutional conference.

We were asked what we would do when we formed the government. After establishing a full employment, economic policy—and we on this side of the House have made it clear to the government, through my leader, on many occasions how we would get the economy moving again at full strength—we would have to tackle in a meaningful way the problem of foreign investment. I do not have much time to go into detail, but these are some of the actions that we would consider taking. First of all, we need proper information. There is a lot of false information concerning foreign investment, for political reasons. What we need is proper information about the actions of foreign subsidiaries in Canada. Without information there can be no clear understanding of what these subsidiaries are doing and what Canada might want them to do differently. Increased financial disclosure by private companies is necessary in order to come to a decision; I think everybody would agree with that.

Secondly, having obtained proper information we would need to decide in which sectors of the Canadian economy foreign investment should be restricted or regulated. If we pulled out foreign investment in Canada tomorrow, it would be like pulling the plug out of a big bathtub; we would just hear the water gurgling, and further unemployment would be the result. We must consider, first, the importance of the sector to economic planning. By economic planning I mean devising appropriate rules and regulations and establishing the proper economic climate. Then we must consider the policy-leverage aspects of the sector, that is, the importance of the sector in allowing the government's economic policies to become more effective.

Then we must consider, if we are going to be nationalistic at all, the cultural sensitivity of the sector, that is, its importance as a factor in the establishment and maintenance of a Canadian identity. We have to ask ourselves the question: Do we want to remain Canadian?

Thirdly, the key sector concept raises two questions. Is there adequate Canadian capital and entrepreneurship to man these sectors? It is no good our saying that there is enough capital in Canada to build a pipe line from the Arctic down through the Mackenzie Valley to the mid-west. As a matter of fact, it would be a shorter distance to transport natural gas or crude petroleum from King Christian Island to eastern Canada were the pipe line is. It is 1,500 miles closer than the Mackenzie Valley route. Yet I question whether the Minister of Energy, Mines and Resources (Mr. Greene) even knows this. He has no policy—only the kind of breeze that he blows from time to time—and speaks without knowledge, as he showed us the other day when he made his statement.

The second question we should ask ourselves is, how one can be sure that Canadian-controlled enterprises will behave in a way that coincides more closely with Canadian national interests? It is frequently claimed that sufficient Canadian savings exist to provide for Canadian-owned investments in the full amount needed for the development of our country. The argument is that foreign subsidiaries have been expanding 85 per cent through the use of retained earnings generated in Canada and only 15 per cent through the use of the inflow of new capital. In these terms the adequacy of savings begs the question whether these savings would have been generated without the original foreign initiative, and the question regarding the right and advisability of Canadians to expropriate these savings for their own use.

When we save money in the bank, our savings are invested in various ways. But there is a need for foreign capital. My point is: How do you determine just where it should be used, and in what sector, so as to create a climate in which the economy can be kept moving, at the same time retaining some form of Canadian stamp or control?

A more relevant proposal is the provision of further incentives to holders of Canadian institutionalized savings—that is, mutual funds, pension funds and insurance funds—to invest in Canadian enterprises. At the extreme, these incentives might be made a requirement. The stimulation of Canadian entrepreneurship is a far more difficult question since it is by no means easy to locate it and to quantify its potential.

A proposal in this area must provide for two phases, one short-run and another long-run. In the short run it is necessary to provide financial incentives and assistance to the operation of new firms in key sectors, including assistance with the importation of technology and the arrangement of management contracts. In the long run it is necessary to produce greater numbers of entrepreneurs and people with the kind of managerial skills that we need. Representatives of business and of schools of administration should be encouraged to research this question and, where possible, to adjust their programs to provide more extensive and appropriate learning experiences.

The claim for Canadian equity participation in Canadian firms, either minority, majority or controlling, is not a claim that the view of Canadian corporate owners will necessarily coincide with that of Canadian governments; there will be some confrontations. Rather, it is based on the view that Canadian owners and managers will be more receptive to and have a better appreciation of the reasons underlying Canadian government policies than will foreign owners and managers. We have to be shown that. It has to be proven.

• (8:50 p.m.)

A number of proposals are made which will help sensitize foreign-owned firms in Canada to Canadian government policy. First, federally-incorporated companies should be required to have at least three Canadian citizens as members of the Canadian board of directors, at least two of whom should be outsiders who are not connected with the company. This would ensure exposure of the board to Canadian opinion and view. At the same time they should show a fair profit and return.

In order to sensitize foreign subsidiaries to Canadian conditions, the Canadian directors should be provided with lists of their duties as directors, for which they should be held legally responsible. This should be the case in respect of the companies acts of the provincial governments or the federal government. The board of directors should be held responsible for its decisions. This proposal is an attempt to prevent the appointment of Canadian directors becoming a rubber-stamp operation and it is a recognition of the need for the Canadian government to state more precisely what is expected from foreign subsidiaries. The United States does this, and Canada can do it. I do not think anyone would think for one moment that the United States would not continue to invest in this country provided there was the kind of confidence in Canada that there should be. One of the reasons the United States is investing today in Germany and Japan is that it has lost confidence in Canada, and I put the onus for this on the government.

A policy toward foreign takeovers should be developed in line with the establishment of key sectors. Foreign takeovers of Canadian firms in key sectors should be monitored and restricted, although not necessarily disallowed. A takeover in a key sector might be permitted where there was a commitment to make equity available to Canadians over a number of years. When the stock was issued for the Alberta gas line, which was controlled, engineered and initiated by the provincial government, every citizen of Alberta had the opportunity to invest up to $20 in the stock of that company.

An hon. Member: Non-voting shares.

Mr. Woolliams: They were not non-voting shares. You make your speech and I will make mine. Those $20 shares are today worth $57. It was a guarantee by the provincial government. The same thing could be done federally to develop the proper sectors and resources of our country. This is not difficult, but we have to start now.

The Acting Speaker (Mr. Richard): Order, please. The hon. member's time has expired.

Mr. Steven Otto (York East): Mr. Speaker, when I first read this motion I wondered how it was that the Liberal members had proposed an opposition motion. There is nothing at all in the motion with which the government disagrees, as far as I can see. Indeed, if I read this motion correctly it has to do with new expansionary monetary and fiscal policies, which I think is the objective of a great many members on all sides of the House.

With regard to promoting secondary industry, about which we have spoken on this side, the minister mentioned the methods being used to accomplish this end. The Minister of National Revenue (Mr. Gray) said in the House tonight that we are dealing with the question of foreign ownership. Therefore, it is not difficult to agree with this motion. Indeed, I am glad to know that the proposers of the motion have also come to the conclusion that the people who will solve our unemployment problem are the entrepreneurs, those involved in secondary industry.

In the few minutes at my disposal I should like to deal with an issue which will come before this House and the country in the very near future. There are two schools of thought as to whether we should adopt restrictive or expansionary fiscal policies. I feel that the restrictive school of thought should be brought to a conclusion. There is not a more kind measure this government could adopt than to give Mr. Young his walking papers and thank him very much.

Some hon. Members: Hear, hear!

Mr. Otto: We should tell him he has done a good job 30 years too late and that his ideas—

Mr. Knowles (Winnipeg North Centre): Is that the Liberal position?

Mr. Otto: I would say it is. I think members opposite will find that a great many Liberals throughout the country, not only in this House, are inclined to accept the record, and it is quite evident. It has been expounded in the last year or so that restrictive measures do not work. Indeed, expansionist measures and the adoption of the ideas of some of our new economists such as Miss Diane Cohen, Mr. Weldon and Mr. Friedman, will have a great bearing on the policies of this government. Therefore, I think the motion is quite good.

Let me say to members opposite who proposed this motion that one of the essentials to a successful conclusion is this: If we are indeed going to adopt expansionist measures, we will have to bring our economy and our industry into greater efficiency. We will be faced with this problem in the forthcoming budget. If we are to keep inflation under control we must be very selective in making tax concessions. There is an argument at the present time that if we allow tax concessions across the board there will be an inflationary push. The hon. gentleman opposite shakes his head, but I suggest there will be an inflationary push.

If there is already a push and a squeeze between manufacturers' costs and the sales position, and you throw $500 million or $600 million into the consumers' hands, there will be immediately an upward price movement. If this will mean an inflationary push, we must think of another method. We must give tax concessions to corporations and businesses: it is their reserves which are decimated. They cannot get loans to buy new equipment and machinery because the banks know they have a poor profit picture and that their reserves are down to nil.

If we gave tax concessions to the corporations they would have to make a profit by selling their goods at a low price. If we did this, just think what hon. members across the way might say. Everyone over there would rise with indignation and ask what we had done. They would suggest we had given tax concessions to business and nothing to the poor consumers.

Mr. Knowles (Winnipeg North Centre): What have you done?

Mr. Otto: Just what we intended to do. I ask the hon. gentleman opposite how new policies can be adopted when they are ingrained with the old policies. What gentlemen opposite are saying is that we should adopt new concepts and new expansionist policies, but do not show any favouritism toward business—give the concessions to the consumer. This is the position they take in the motion. The last part of the motion refers specifically to the fact that the people who will succeed in getting other people to work are the entrepreneurs. We have to come to this conclusion in some way.

With regard to secondary industry, I should like to direct the attention of the House to the most recent United States labour figures. It is surprising to find that 63 per cent of American people are employed in the service industries. That covers everything from superintendent of a plant to a salesman, the sales manager, the executive, junior executives, lawyers, architects and engineers. Only 37 per cent are employed in the factories operating machines and producing goods. There is already an impetus for a large number of Canadians to work in factories producing goods. In a short time we will not be saying we are the hewers of wood and the drawers of water; we will be complaining we are the ones making the goods by working in the factories and the Americans are the ones who occupy the high positions in industry. There is already a movement in that direction and I think it will continue for the next 10 or 15 years. We are already considering the next phase, which is foreign ownership. I will deal with that matter in a minute.

• (9:00 p.m.)

Mr. Speaker, this government should recognize that if we are to have any influence over secondary industry we must re-think two positions we have adopted over the last five years. I believe hon. gentlemen on this side of the House have already brought this matter to the attention of the government. If we continue our regional incentive programs it is completely incongruous to say we will promote industry in those regions where industry really is not suited, and at the same time try to bring more efficiency into our economy. This is impossible, because what we are really saying in all our regional incentive programs is that the government will pay from $2,500 to possibly $10,000 per job for an industry to establish itself in an area, which economically does not make sense. This only deprives other, more efficient areas of this type of industry.

So we are at cross-purposes. We may decide to put an industry in northern Ontario or northern Quebec a long way from the market and in an area where there are transportation and technological problems. We say we will pay an industry to go there, and at the same time complain that the industry is not efficient. Of course it is not efficient because it is competing with the Germans and Japanese who are very sophisticated.

While speaking of the German market, we must consider their position in respect of free enterprise and anti-combines legislation. In the last two years, hon. members will be interested to know, the German coal industry found itself in a serious predicament. The industry was competitive; it had about 57 plants and 103 enterprises, none of which was making money. As a result, two years ago the German government sponsored and promoted a combine, the Ruhr Coal A.G. This is a company which now controls all the German coal producers. It is working toward an efficient combine and monopoly in order to make the German coal industry prosper, while we on the other hand have not acknowledged that there is a time when we must re-think our

ideas in respect of industries in which an element of competition no longer applies.

In some industries there is no competition. There are large corporations which probably tolerate a smaller competitor merely as a figurehead. The fact is, however, that a certain segment of our industrial enterprise has no competition. We should accept that fact and promote some sort of combine or monopoly to make it more efficient, rather than have each enterprise lose money.

This brings me to the question of foreign control. I believe the policy the government will introduce on this issue will be found to be acceptable and welcome to the whole country. But I have never worried too much about control in respect of Canadian industry. The real issue is efficiency. There is a second and possibly just as important consideration. We as Canadians must decide which industries are to be exploited and promoted, although not on a worldwide basis because we are not concerned about a multinational corporation as an investment in Tanganyika or Brazil even though it would be more profitable to establish it there than in New Brunswick or Ontario. We must consider it from the Canadian point of view.

After more than 22 years in business I have learned that there is no school, university or educational process within which to train executive cadre, other than apprenticeship. It is an unfortunate fact in multinational corporations that when it comes to the man who makes the decisions, someone is always sent here to manage. So we have nowhere in which to exercise apprenticeship. Therefore, the United States executive is much more efficient. We should have a policy which would allow our young people to enter the executive cadre and assume control of corporations. We should regulate this matter.

There is another element which possibly has never been emphasized. The United States industrial enterprise is very great and has a vast accumulation of capital. Our presumption always has been that capital comes from savings. I deny this. Venture capital, or risk capital, does not come from the money we accumulate by scrimping and saving. This money is used to buy insurance policies, something nice and safe. The money which is invested and reinvested is the money which comes from dividends. If we look at the record of dividend payments and reinvestment of dividends we will find that a fantastic proportion of the dividends received by a shareholder are put back into the market. We do not have this.

The United States has the world's largest reserves of capital investment. So, as an hon. member said, it is important to ensure that eventually Canadians will be able to buy this equity and obtain shares in order to reinvest the money. For that reason, Mr. Speaker, I strongly supported the white paper on tax reform because it emphasized the need to provide a wider distribution of shares in the country.

I do not think any of us would find anything to argue about in this motion. It is a question of timing and a question of emphasis. So far as this motion is concerned, the government has done more than it asks for. Indeed, there is nothing in the motion that we have not done or are not in the process of doing. Therefore I do not find any difficulty in supporting it.

Mr. Doug Rowland (Selkirk): Mr. Speaker, I listened with great interest to the remarks of the hon. member for York East (Mr. Otto). Having heard them, I only wish that this influence on the policies of the government was a bit more profound. The Minister of Industry, Trade and Commerce (Mr. Pepin) during his remarks charged the opposition with being somewhat intemperate in its attack, and with failing to realize that the circumstances in which this country's economy now finds itself are at worst the honest mistakes of honest men attempting to do an honest job in the very imprecise area of economics. We are all aware of this. What makes us intemperate, if such we are, is the distorted value system upon which this government has based its policies.

Perhaps I might illustrate what I mean. This afternoon I listened with absolute horror and total disbelief to the Parliamentary Secretary to the Minister of Industry, Trade and Commerce (Mr. Howard, Okanagan Boundary) defend his government's economic policies. In commenting on those remarks I will be employing language which does not come easily to my tongue. However, I make no apology for this because the kind of social philosophy presented to us by the parliamentary secretary can only be described as disgusting by any civilized group of men.

He told us that we could have full employment if we were willing to sacrifice our standard of living. He implied that we would not be willing to make such a sacrifice. For the moment I will leave aside the validity or lack of validity of the direct relationship he implied between high rates of employment and low standards of living. I want to emphasize that a member of the government stood in his place and told us, in effect, that if forced to choose between 600,000 or 700,000 men and women being stripped of their dignity through being denied gainful employment and having to give up the opportunity for some of the niceties of life available to the fortunate third of the people in North America, he would choose the second television set. I thought that today one could only find people with that total absence of social conscience in the works of Charles Dickens.

• (9:10 p.m.)

What an utterly barren, hopelessly antique, totally depraved approach for man to say, "I will fight unemployment only if it does not hurt me. I'm all right, Jack"! Moreover, the direct relationship between the standard of living and the rate of unemployment which the parliamentary secretary postulated simply does not exist. He told us of a secretary who went to work in the full employment economy of Germany and had her wages cut in half. He told us of "three mat" apartments in Tokyo and implied that if we in Canada were to achieve full employment, not only would the parliamentary secretary's friends be forced to sell their second Skidoo but all of us would be forced to live like rats in a hole. What a piece of sophistry! What a fatuous bit of histrionics hoping to pass as argument!

No one can deny that the standard of living in the full employment economies of Germany and Japan are below

our own. What the parliamentary secretary neglected to tell us was that the standard of living in those two countries is rapidly overtaking our own. What he neglected to tell us was that the standard of living in the full employment economy of Sweden has already surpassed our own.

Then the Parliamentary Secretary to the Minister of Industry, Trade and Commerce went on to assert that he had heard no new ideas from the opposition, implying that because they were not new they were valueless. If it does not glitter with new paint, it is no good, whether or not it has been tried. There speaks the petty bourgeois Philistine of nineteenth century literature. He said that even with four ears he would not have heard anything of value from this side of the House today. I would suggest to the hon. member that there must be something between the ears before one can attempt to weigh values.

Enough said about the remarks of the hon. member for Okanagan Boundary. The fact remains that this winter the government had to acknowledge the existence of almost three-quarters of a million unemployed people in Canada. In April, the figure was 659,000, up 9,000 from March. Probably there was and still is further hidden unemployment not measured in the statistics. This situation illustrates vividly the Liberal party's callousness toward people and the total bankruptcy of its economic policies.

Never before in the history of this country did a Prime Minister state before a national audience that it was his government's intention to allow unemployment to rise, if necessary, to 6 per cent to combat inflation. Never before did any federal government knowingly, consciously and with a cool, detached deliberation sentence hundreds of thousands of Canadian workers and their families to the hardships of unemployment. The brutality, the callousness, the studied indifference to the human consequences of this anti-inflationary approach was matched only by its ineptitude. Its ineptitude is measured not only in terms of its social consequences but in terms of its complete failure to deal with the inflationary situation it was supposed to meet. The cost of living figures for the first quarter this year show conclusively that inflation is not licked and that at the same time unemployment is continuing unchecked.

What do the figures in connection with the frightening level of unemployment really mean? We are not talking about statistics; we are talking about hundreds of thousands of human beings. We are not talking only about the unemployed themselves but also about the people who depend upon them and their jobs. These unemployment figures represent human tragedy on a massive scale. They represent fear, want, hopes dashed and confidence undermined. We are not talking about mere figures of 660,000 or 700,000; we are speaking about the immense and continuing suffering, deprivation and spiritual degradation of hundreds of thousands of people as a result of deliberate government policy.

That is why I cannot discuss this subject with any degree of equanimity. Any government that is calculatingly responsible for such a situation and which speaks to me about the just society is guilty of total, complete and unparallelled hypocrisy. No government which has looked at the full cost of unemployment would deliberately choose increased unemployment as the answer to inflation. But that is what the Trudeau government has done. New Democrats, in contrast, state that full employment should be the primary economic goal of government. If some price rises occur with full employment or because of shortages or external circumstances, it is far better and cheaper to compensate the victims of inflation, those on fixed incomes, than to squeeze the life out of the economy and pay the staggering bill for unemployment.

In the short run, the present serious shortage of jobs can only be overcome by priming the economy. The New Democratic Party has been urging the government to undertake the following policies immediately. We have urged the institution of a massive public housing program which would be focused on areas of acute shortage and which would involve the provision of additional mortgage money at reasonable interest rates for low-cost housing. We have advocated the stimulation, acceleration and expansion of anti-pollution programs, including capital aid for sewage and waste treatment facilities.

We have advocated the acceleration of other public works projects, but only after re-evaluating their social usefulness. It may be that new post offices might not be nearly as important as new convalescent or nursing-home beds. Making funds available to the provinces and municipalities for such works would be an important feature of the program we are advocating.

Another short-run policy we have advocated in order to supply jobs for the immense number of people out of work is the increasing of purchasing power by tax relief for low-income groups and by increasing allowances to those on pensions and other fixed incomes, together with the inclusion of a cost of living escalator in all such allowances.

We have advocated the tying of new unemployment insurance benefits to the cost of living index, and the extension of seasonal benefits to meet the present emergency. We have also advocated the provision of funds to increase employment opportunities for young people in the area of services to people, such as child care, convalescent services, assistance to elderly persons, recreation, conservation and public health.

To maintain full employment in the long run, this party also advocated a number of policies—among other things, changes in the tax system to end the discrimination in favour of capital-intensive industries. We have advocated an end to the special tax concessions to resource extraction industries which encourage investment in overcapacity there with the result that secondary industries, where the jobs are, lack development capital.

We have advocated an investment reserve system which would involve the placing of a few points of tax on business into a reserve that can be drawn upon within designated periods of time for designated purposes in designated areas. Such a program would make use of the planning capacity of the whole of private industry. We

have advocated the creation of a real Canada Development Corporation which would be unequivocally an instrument of government policy and which would be employed to develop secondary industry, to expand resource processing in Canada, to rationalize established industry and to invest in the development of the leading edge of technology.

I could go on into the night listing specific policy suggestions which this party has made. What they all add up to, however, is planning the development of the economy and in so doing ending the haphazard approach to economic development adopted by the present government, policies which the hon. member for Duvernay (Mr. Kierans) has aptly described as being "stop—go, boom, bust, rags to riches" and which are at the base of most of our economic ills.

What about controlling inflation? In my opinion, we must begin to face up to the fact that inflation in Canada is largely imported from the United States, largely because of our overdependence upon them as a market and as a supplier to our market and because of the corporate pricing policies of American-owned firms operating in Canada. With these factors operating, even the most draconian measures, such as those the government introduced, can only have a marginal effect, and we have seen that. To end the importing of inflation we must diversify our markets and our suppliers. We must drastically decrease the percentage of our economy which is controlled by foreign-owned corporations. And, finally, we must pray for an end to the war in Viet Nam.

Should we succeed in doing all these things, perhaps fiscal and monetary policies of a normal kind will serve to keep internally-generated inflation at an acceptable level. But the real point is that we must not continue to sacrifice the lives of Canadian men and women on the alter of controlling inflation, a god which in present circumstances cannot be appeased. Instead, we must make full employment our primary economic goal.

• (9:20 p.m.)

Mr. F. J. Bigg (Pembina): Mr. Speaker, my colleague from Calgary North (Mr. Woolliams) was making a very valid point on federal tax policy when his time ran out at about ten minutes to nine o'clock. One conspicuous example is the fact that current Canadian tax policy, as opposed to U.S. tax policy, makes it far easier for an American company to acquire control of a Canadian company than for one Canadian company to acquire control of a second Canadian company. To be specific, American companies and other foreign-owned companies are allowed by their governments to deduct as a business expense the interest paid on money which they borrow to acquire Canadian companies. This is obviously so unfair and so advantageous in particular to the American companies that at the present time the figures show 75 per cent foreign ownership in some fields of Canadian industry.

That is not the whole story by any means. But if we are serious in our desire to regain control of industries which we have already developed, and if we hope to have Canadian control of other industries which we hope to encourage, then a serious tax change has to be made and made now. This motion suggests immediate, emergency measures. Unfortunately, it is too late to do anything very dramatic or sudden this year. But for goodness sake let us start now. It is never too late to mend. It is never too late to start taking control of your own house.

I think that a government which has talked so much about participatory democracy should do something about participation by our own people in the wealth of our own country. I am shocked and amazed that any government which calls itself Liberal, in the old Gladstone-Laurier sense, should argue that any level of unemployment is acceptable to the Canadian people. I do not often praise Soviet Russia, but I understand that at the present time Russia is seeking to recruit unemployed people from the European labour markets. If these people have skills, Russians are offering them jobs and good opportunities, with good wages which they can take back home in gold. But here in the upper half of North America, the richest half of North America, the undeveloped half of North America we sit around and mostly worry about sharing government jobs and government hand-outs of one form or another.

We have a Department of Industry which, by a stroke of the pen, is able to hand out as much as $12 million to any entrepreneur who seeks help. That sounds fine if it were not coming from a schizophrenic government. What is the good of it offering $12 million to start an entrepreneurial business and then putting out a white paper on taxation which says that in five years it will take a quarter back, in ten years it will take half back and within a generation it will want the whole darn works? Nobody is going to invest money, time, energy or education in the future of a country which offers nothing better than state control.

State control has never worked for the little people. It has not worked in Soviet Russia nor in Czechoslovakia. It is not working in Red China today. They tried it in agriculture, but it did not work. At a time when the Russians and Chinese are giving land back to the peasants, we are rushing through Bill C-176 which is trying to do exactly the reverse, forcing the people of Canada to give up their land to a supposedly all-knowing and capable government, but a government which is floundering with unemployment figures approaching 7 per cent and in local communities with unemployment running a great deal higher than that—up to 10 per cent, 12 per cent and 14 per cent.

The big excuse used by the government is inflation. Mr. Speaker, we have been living with inflation for 20 years and by and large it has done us proud. By inflation we are able to have a two-car garage, get a bigger mortgage and live in a better house. At least that is the case for those who have jobs. But tonight I wish to concentrate on unemployment because it is our big problem.

In some cases I think we have academically overeducated our young people. They are coming out of school in the hundreds of thousands and they want to

participate in the economy. But what are we offering them—soup kitchens, bread-lines, hostels, walking tours of Europe! And when they go to Europe they will find that Europeans are fully employed. When they return they will want to know why they cannot have the same. I think we must have full employment. I think we can achieve it. I agree with the motion when it stresses urgency. It is something we should tackle today.

When the Prime Minister (Mr. Trudeau) returns from Soviet Russia, I hope he will have a satchel full of ideas, not communistic ideas but North American ideas, entrepreneurial ideas to put every Canadian back to work on his own land or in his own business, using a tax policy which means that 20 years from now a man's life will be richer and happier, without him bequeathing unemployment to his children and having them sit around on Parliament Hill or on the Mall growing hair and whining.

Let us be realistic about this, Mr. Speaker. My taxes are high enough but I am willing to be taxed a little more if a 10 per cent increase in my taxes will give jobs to young people. These young people have gone to work in our education system, although in many cases I do not think it is worth a damn. Now they are emerging as PhDs, or as master mechanics from our technical schools and we are telling them that we have nothing for them to do. And all this is at a time when we have only one decent road running east and west across the country, with no decent road running north and south.

We have no transportation into the Arctic worth talking about. We have no idea of the wealth of our natural resources, but our greatest natural resource is our young people. All we are saying to them is that some day things will get better in the American economy and then we will catch up. In effect we are waiting for the American economy to recover, hoping to ride on its wave of prosperity and, incidentally, in the meantime letting the Americans defend us from all the assaults of our enemies. Yet according to my friends to the left we should not accept American money or American investment.

Now I hear a chorus coming from the government benches that we ourselves should own Canada. But they do not have a policy to bring this about. My colleague from Calgary North suggested a tax policy to them. Make it pay to save money. Make it specific. Invest in Canada. Trade is the answer. It is trade that gives us jobs. Only by trade can you set up a business and have something to sell. It is no good setting up a business if you do not have markets.

We need a proper fiscal policy. We don't want a floating dollar. We want to know where the dollar should be pegged to put Canada back into the markets of the world. There is no single commodity in Canada, be it natural or manufactured, which does not benefit from a dollar pegged well below the American dollar. When we had the 92½-cent dollar we flourished. That was supposed to be the biggest mistake that Mr. Diefenbaker's government made; but it was the 92½ cent dollar which put this country into the ten years of greatest prosperity we have ever seen. We had better decide now where we want the dollar pegged, or it will rise to U.S. $1.10.

I was also shocked to hear the Minister of Finance (Mr. Benson) say that the GNP was so high that we did not have to worry any more. This makes me ask the question: Who is making the money? Let us find out. If they are making so much money, then let us create jobs for our own people, and not only for the young people. There are many middle-aged and old people who need jobs. You cannot live on the old age pension today. Where can you live on $100 a month?

• (9:30 p.m.)

The universality of the old age pension makes me laugh. If you build a little shack and manage to save $5,000 in 40 years of work, then the supplement is cut off and you are expected to live on $80 a month. Talk about beating inflation! Are we beating it with the 42 cents given to the old people? That is all we have done in the last five years, give them 40 cents a week which would not even buy a good cigar—maybe seven six-cent stamps to write your Member of Parliament, maybe six seven-cent stamps; I leave it to the Minister of Finance to work that out.

What are our human resources? I suggest that because we are so ignorant about our natural and human resources we should put a couple of hundred thousand young people to work to find out what is our future and their future. I have faith that this country is worth developing. I have faith that the answer to our economic problems is not to sit around and wait for the Americans to solve them. The answer is to create jobs for our young people. They have the brains, the youth and the skill, and it is up to us to give them leadership. I believe that the few who are sitting around growing long hair are far outnumbered by the fine young people who have spent four or five years in high school or college to prepare themselves for the working world, for a bigger and better Canada. I do not think this government is big enough to handle the job.

Some hon. Members: Hear, hear!

Mr. Bigg: Are we big enough to handle it? We had better be. This is the land of opportunity but there is no magic formula. It will take hard work and planning and emergency measures. It is not very often that I can wholeheartedly support a motion put forward by my friends on the left, but I feel there is a terrible emergency here and if my friends on the left do not shout about it, the very rocks from Vancouver Island to Newfoundland will shout about it.

There are no quick answers, Mr. Speaker. There are not even ten. We need a lot of answers and a lot of work. If the people on the other side of the House cannot do it, then I say call in the young people and let us survey our natural resources, our human resources, our technical resources, our fiscal resources—you name it. Put them to work, and now.

We have wasted two months already. I expect it would take another month to put them to work, but let's do it. Then let us see that when they come out of school next year we have a comprehensive plan which will mean that

we are out looking for the labour markets of the world to help us carry on the ideas we have formed in this chamber. If we do not start here it is no good looking to the colleges, to Sparks Street Mall or the United States of America.

The problems of Canada are supposed to be solved in this chamber; that is what we are here for. If this government thinks it is incapable of doing it, if they can cynically state that we can stand 10 per cent unemployment in a vibrant and young country like this, then they have no alternative but to resign. I have confidence in the ideas of this party, Mr. Speaker. We can develop Canadian trade and have policies from coast to coast, with none of this divisive business. Let us see what the Maritimes people can produce. Perhaps we can produce a new race of mariners and give them the job of shipping our oil, our wheat and our bauxite around the world.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. The hon. member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as I listened to the Prime Minister (Mr. Trudeau) in recent weeks and to the minister of Finance (Mr. Benson) today I could not help thinking of them as characters in Alice in Wonderland—the worse things get, the more they shout that things are better and better.

In April, 1970, Canada had 544,000 people unemployed, and in April of this year unemployment had risen to 659,000, an increase of 20 per cent. If you compare April, 1970, with April, 1971, you see that in Quebec unemployment rose from 203,000 in April, 1970, to 234,000 this year; in Ontario, unemployment rose from 145,000 in April, 1970, to 205,000 in April this year; in the Maritimes it rose from 66,000 in April, 1970, to 75,000 in April this year; in British Columbia it rose from 58,000 in April, 1970, to 72,000 in April this year.

If you look at the seasonally adjusted rates of unemployment for the last five years, which the Minister of Finance keeps telling us are looking better all the time, you see that there has been a steady increase. In April, 1967, the rate was 4 per cent; in April, 1968, the rate was 4.9 per cent; in 1969 the rate was 4.9 per cent; in 1970 the rate was 5.6 per cent, and this year the rate is 6.7 per cent. In Ontario, the wealthiest province in this country, the seasonally adjusted rate for unemployment in April, 1971, was 5.7 per cent, the highest in the last ten years.

The unemployment which we are experiencing is not an accident, Mr. Speaker. Canada has the highest unemployment rate of any country in the western industrial world. In Great Britain, the rate of unemployment has just gone over 3 per cent, and in last week's local elections the Conservatives lost over 2,000 seats. The election was fought on national issues and the people spoke out.

Our unemployment was brought about by a conscious decision of this government. In December, 1969, the Prime Minister said that he would not be deflected from the fight against inflation even if the result was that we faced 6 per cent unemployment. The government cut back on programs and called on provincial and municipal governments to follow suit. It tried to implement a policy of voluntary restraints on wages and salaries but, of course, not on profits.

The fight against inflation was temporarily successful. Last year the cost of living rose by less than 2 per cent, but the result was precisely what the New Democratic Party in Parliament, and economists outside, had predicted—higher unemployment. As most economists predicted when the government implemented its policy of restraints, the increase in the cost of living could only be slowed down temporarily. I know of no economist, except some of the trained seals working for the government, who seriously argued that inflation could be stopped in Canada when costs were going up in the United States. After all, we sell most of our products to the United States and we import more from them than from any other country. It is almost impossible, Mr. Speaker, to keep prices in Canada from rising if they are doing so in the United States.

• (9:40 p.m.)

The inevitable happened, as had been predicted by everyone but the government. In the first four months of 1971 the cost of living rose by 1.8 per cent, an annual rate of 5.4 per cent. The Minister of Finance has suggested that this is only temporary and that the increase will slow down. There is no reason to believe that. The price war the supermarkets engaged in last year has disappeared. The temporary help we obtained by unpegging the dollar cannot be repeated. Therefore, costs in Canada will go up this year, as I have suggested.

Now we have the worst of all possible worlds, high unemployment and an increasing rate of inflation. The result of the government's policy has brought tragedy to tens of thousands of Canadians individually and to the provinces and municipalities. Some of the most highly-trained Canadian citizens cannot get jobs. Today, the Toronto *Telegram* predicts a long job hunt for many of the University of Toronto's 5,700 graduates. A survey undertaken by that newspaper shows that only 40 per cent of this year's engineering graduate class will find jobs at this time, whereas last year 85 per cent of the graduating class at this time of year had found jobs.

Today's Toronto *Star* reports Quebec Labour Minister Cournoyer as saying that Quebec's welfare recipients have increased by more than 500 per cent in the ten years between 1960 and 1969. They increased from 22,500 in 1960 to 114,3000 in 1969. At the same time, those receiving unemployment insurance declined from 139,000 in 1960 to 101,000 in 1969. The decline in the number of people receiving unemployment insurance in Quebec is not the result of lower unemployment in that province. As I said earlier, they are suffering from higher unemployment than ever before. In that province a tremendously large number of people have been unemployed for so long that they have used up all their unemployment insurance benefits. The figures for April, 1971, ought to have a sobering effect even on this government, for they show that 152,000 people have been unemployed for more than

six months and that 190,000 people have been unemployed for between four and six months. That increase is startling when one compares it with the number of people who were unemployed for four months or more in other years.

We call on the government to stop its insane preoccupation with inflation, which is a worldwide phenomenon which cannot be prevented and cannot be slowed up very much in one country, and to concentrate on implementing a policy of full employment. The NDP government of Manitoba has not only given this type of advice to the federal government at Ottawa but has implemented the kinds of policies to which I have referred. In February of this year 22,000 people were unemployed in Manitoba, the rate of unemployment being 6 per cent of the labour force. Between February and April of this year unemployment in Manitoba was reduced. It went from 22,000 in February to 18,000 in April. The rate of unemployment dropped from 6 per cent in February to 4.8 per cent in April. That trend has not been duplicated in any other province of this country.

It is no accident that that happened. It come about because the government of Manitoba rejected the idea that it ought to or could combat inflation. The government of Manitoba has taken the position that its objective is full employment. When they talk of full employment they talk about the 3 per cent unemployment level referred to in the report of the Economic Council of Canada. Last week the government of Manitoba proposed an expansionary budget designed to provide increased employment of people and resources in the province. The total estimated expenditures for the 1971 fiscal year are over $500 million. For the fiscal year 1971 that government plans a deficit on capital account of an estimated $300 million over and above ordinary revenues. They propose to invest large sums of money in housing, in the expansion of hydro facilities and in the expansion of telephone facilities.

The government of Manitoba has planned a massive public housing program for 1971. They propose to spend $33 million. They had intended spending over $50 million but the federal government would not co-operate and they therefore propose to spend, as I said, $33 million. This is still the largest amount in Manitoba's history, representing an increase of 154 per cent in public housing spending as compared with 1970. The number of housing units involved is in excess of 2,200, representing an increase of 107 per cent from 1970 and almost 1,000 per cent from 1969.

This is the kind of program we have been advocating ever since the government proposed curing the ills of this country by concentrating on the fight against inflation. We have proposed that the government should, instead, make its No. 1 priority full employment. This could be done if the government stopped talking about tax reform and got on with the job of introducing tax legislation which will do away with the inequitable, regressive and inefficient tax system we have at present.

We have proposed that the government adopt tax policies which will put the burden of taxation on those who can afford to pay. We believe that a more equitable tax structure must be achieved by all levels of government and must be based as much as possible on ability to pay. May I say, in a practical way, that we need to increase income tax exemptions to $2,000 for single persons and $4,000 for married persons.

In the budget which the minister proposes to bring down one month from now we ought to reduce the taxes paid by people in lower income brackets. We ought to be thinking very seriously of increasing old age pensions. We ought to think in a practical way about beginning to put into operation the kinds of projects which are needed so badly in this country. We ought to think about a massive increase in public housing such as has been begun in Manitoba. We ought to think about helping schools and universities acquire new buildings and equipment which they need. We ought to think seriously about helping the provinces and municipalities to deal effectively for the first time with the pollution of air and the pollution of water, and to eliminate it.

There is not one municipality in Canada which does not have inadequate sewage disposal facilities and which does not need to put the squeeze on industries which pollute the air. If one goes no more than 100 yards from this very building one will see how badly the Ottawa River has been polluted. Asking the city of Ottawa or the city of Hull to do the job by themselves is asking for the impossible. The government at Ottawa, Mr. Speaker, ought to take the lead through grants and loans to enable the provinces and municipalities to work on the tremendously important task of turning this corner and to enable them to meet the problems of inflation. If we begin to do these things, we will stop the kind of unemployment we have experienced up until now.

Mr. Deputy Speaker: Order, please.

• (9:50 p.m.)

Mr. Arnold Peters (Timiskaming): Mr. Speaker, this afternoon and evening we have listened to many reasons why the government feels it has acted in a proper manner. They tried to justify the Prime Minister's expression last fall when he said, "Push me and see how far I will go" and when he said that 6 per cent did not seem to be an unreasonable unemployment figure if it meant curtailing inflation.

Almost every country has a higher rate of inflation than Canada, but no country is paying the same penalty. Many of my colleagues have referred to the expense involved in people not working and the hardship it creates. But there will be a long-term problem with which we will have to live. I refer to the young people who are entering the labour market and are unable to find work. These young people will be discouraged before they even get started. The old adage may be true—if you keep a person on welfare for a period of time, that will probably be the pattern for the rest of his life. It may well be that we are creating a situation with which we will have to live for a very long time.

I was in northern Ontario this week. I found that the unemployment figures being used really do not apply to

that part of the country. The actual unemployment figure is very close to 25 per cent. I am not referring to the seasonally adjusted figure, the Canadian average or the Ontario average. If 25 per cent are unemployed, the other 75 per cent will have to carry them. This means that as soon as the seasonal benefits of unemployment insurance cease, the municipalities will be carrying the welfare load for many years.

It has been pointed out that the city of Ottawa will have a great deal of difficulty fitting the high cost of snow removal into its budget for several years. No doubt the cost of snow removal is high, but think of a municipality where 25 per cent of the wage earners are going to apply for assistance. It is true that the municipality will only pay 20 per cent of the cost, but in many areas where employment has been poor for several years this will bankrupt them.

I listened to the Prime Minister on television the other night. It was pointed out that the interview had been taped prior to delivery and was several weeks old. I suggest that the broadcast was several months old. The subjects and the discussion were months old. The program was taped before this calamity affected many of our communities. At the time it was taped, it could still be argued that we could economically afford to curtail unemployment, building, development and secondary industry, all for the sake of curtailing inflation.

Surely all the economists in the government are not archaic. Some should be table to tell the government that in other countries inflation is not a serious problem as long as the gross national product increases to the same degree or more. I agree that it costs more money to purchase commodities, but there is more money available. What advantage is there in the person who has been unemployed for seven or eight months knowing that if we are able to keep him out of work, we are able to cut down on the niceties of life and that a television set or drugs will cost less? He knows that the only place he can get money to buy food and pay rent is the welfare office. You can be holier than thou in terms of inflation but you cannot be holier than thou with regard to the needs of these people.

Another budget is going to be brought down. Until I heard some of the government members today I would have predicted that we could not possibly operate for another year with old age pension recipients paying income tax. I was sure this mess would have been straightened out so that we would not ask an old age pensioner receiving a guaranteed supplement to pay $70 income tax out of one of his monthly cheque. Something should be done for the man carrying the lunchpail who is still employed, so that his lot will be better and he will have a little more money to distribute and will enjoy the same purchasing power as the top one-third of the country. If I understood the government members correctly, they said that if you spread the load and give a concession across the board, this would be inflationary. They said he would spend the money, and you cannot give him a reduction.

Canadians will not forget that this is not an emergency that has arisen, it is not a calamity that affects the nation, nor is it something that is happening in Europe. They will not forget that this is not happening in other countries. The situation in Canada today, with more unemployment than we have seen for many years, is a creation of the government which intentionally set out to have 6, 7 or 8 per cent of the people unemployed. The Canadian people will not forget that they have been made the tools of a government which is not interested in the welfare of the average Canadian but is more interested in those clipping bonds coupons, living on insurance benefits and enjoying the niceties that many of the working people have been unable to afford even in good times. In all humanity, this government will have to consider its citizens and make adjustments in the budget to put Canada back in the employment field, rather than on the welfare rolls.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. It being ten o'clock it is my duty to inform the House that pursuant to Standing Order 58(11), proceedings on this motion have expired.

• (10:00 p.m.)

PROCEEDINGS ON ADJOURNMENT MOTION

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

FINANCE—USE OF PORTION OF REVENUE FROM ALCOHOL TO COMBAT ALCOHOLISM

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, my question tonight is: Is consideration being given at the federal level to providing an amount of money, possibly a percentage of federal liquor revenues, toward combating alcoholism and promoting temperance in Canada? As hon. members know, the province of Prince Edward Island and the province of British Columbia have recently moved toward this goal, but what is the federal government doing in this regard? I should like to put a few figures on the record in this connection. Ottawa takes in rather more than $1 million a day as its share of revenue from the sale of drink—that is, liquor, wine and beer. If we include the federal government sales tax, revenue from liquor totals close to $400 million a year.

What does Ottawa spend, having made this immense amount out of the sale of alcohol, on preventing people from becoming alcoholics or on educating young people particularly against the acceptance of drinking, or at least of overdrinking? It spends little or nothing, Mr. Speaker. It is true that the federal government shares in projects of health and welfare with the provinces and that some of this money goes in providing aid to alcoholics. But it is not this that I am talking about. What I am urging is that at least one per cent of federal revenue from the sale of liquor—that is to say, approximately $4

million a year—be directed toward promoting temperance and publicizing the health and social problems that are caused by drinking to excess, very much in the same way as the health and welfare department some years ago embarked upon a program to educate young people against starting to smoke cigarettes.

It is not as though the federal government could not afford to earmark some of the revenue obtained from the drink trade for this purpose. Do you know, Mr. Speaker, that more than half of a bottle of whisky consists of water? Do you know that $5 out of each $6 bottle of whisky represents taxes? Canadians are actually drinking watered taxes. Even so, the result is tragic in many thousands of homes, families and businesses. As one who helped instigate the breathalyzer legislation, I know that the 15 per cent drop in fatal accidents since the advent of that law means that there are 760 Canadians alive today who otherwise would have been in the graveyard during the first year of application of the breathalyzer law.

The loss caused by alcoholism to Canadian industry and business is estimated to be $325 million a year, manifesting itself in multimillion dollar hangovers. There can be no estimate of the loss to Canada, caused by alcoholism, in broken homes and in rising crime. I raised this question some time ago and was told that Ottawa made a total grant of $15,000 a year to the Canadian Foundation on Alcoholism. A few days ago the minister of health told me that the government has no stated formal program in regard to combating alcoholism, though he said—and it is true—that Ottawa shares funds with the provinces, some of which go to assist victims of alcoholism. But, Mr. Speaker, I am not trying to get at this question. What I want the government to say tonight is what its attitude is to setting up a fund consisting of, say, one per cent of its annual income from the sale of liquor, which money would go to educating people against alcoholism, to preventing alcoholism—not to bind up the wound but to stop the wound from developing in the first place.

The federal government takes in $1 million a day in revenue from the sale of drink. When the sale of liquor promotes social ills, broken homes, death and disease I think it is the duty of the government to set aside some amount from its revenue from such sale in order to combat alcoholism and to educate people, particularly the young people, against the use of alcohol. My question is: Will the government consider setting up such a program, providing funds for the program and encouraging interprovincial action with the federal authority to combat alcoholism in Canada?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the suggestion that all or a portion of a given tax source be earmarked for a particular expenditure is not uncommon. What it means is that a particular revenue item would be committed in advance to pay in whole or in part for a specific program. The specific program is invariably of the of unassailable virtue and unquestionable merit.

Notwithstanding the allure, the idea involves the abdication by Parliament of its control over spending. The funds for a designated program would rise and fall with the tax received, without regard to the relative costs or public desirability of the program; Parliament would not have to consider that. The tax revenue once earmarked would automatically flow to the designated program, and to that extent Parliament would be relieved of its direct right and obligation to determine how much the government shall spend and the purposes for which it shall spend it.

The hon. member's suggestion may have some superficial appeal, but recognizing its implications for Parliament the government is not prepared to concur in the denial of the right and obligation of Parliament at each session to vote supply. With respect to the idea of the program itself, I will certainly refer it to the Minister of National Health and Welfare (Mr. Munro).

LABOUR CONDITIONS—FAILURE TO HIRE SASKATCHEWAN WELDERS FOR PIPELINE CONSTRUCTION PROJECT IN PROVINCE

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on May 17 I asked the following question of the Minister of Labour (Mr. Mackasey) as recorded in Hansard at page 5858:

> I wish to direct a question to the Minister of Labour, Mr. Speaker. It is based on the practice of hiring pipeline welders in Edmonton or Winnipeg only for a Trans-Canada construction job in Saskatchewan, a practice which effectively prevents the hiring of welders from Saskatchewan. Would the minister investigate such hiring procedures and determine whether Saskatchewan welders are not entitled to a fair chance of such job opportunities?

The Minister of Labour replied:

> I am not sure if this is a question I can answer adequately. Perhaps it should be directed to the Minister of Manpower. But it seems very likely to be a problem coming within provincial jurisdiction since it concerns hiring arrangements.

I then directed the following supplementary question to the Minister of Manpower and Immigration (Mr. Marchand), although it was not permitted at that time:

> Could I ask the Minister of Manpower if he has any indication whether any Saskatchewan welders could be hired for work on this project?

Mr. Speaker, Majestic Construction Limited of Edmonton has a $55 million contract for a pipeline from Burstall to Moosomin, in the province of Saskatchewan. This is with regard to Trans-Canada Pipe Lines Limited. The welders belong to the International Brotherhood of Plumbers and Pipefitters. However, the hiring on jobs from Swift Current west is under the jurisdiction of the Edmonton hiring office, and the hiring from Swift Current east is under the jurisdiction of the Winnipeg hiring office.

It appears that this problem should have been resolved long ago by the union itself. There should have been hiring from the province of Saskatchewan in order that the welders in that province who qualify could have been hired at that hiring hall. I assure you that there appears to be no excuse for hiring practices such as are being carried on by this union. However, I believe the greatest challenge we have before us is in relation to the danger of balkanization of various provinces.

Many provincial governments are acting or reacting in such a way that they can do nothing but harm to this nation. We are fast approaching a situation where there will be ten provinces, each passing legislation denying the entry of anyone from another province to work within its borders. We have already heard words from Quebec that manpower should be under provincial legislation. We know what has happened in Quebec. They have suggested that construction workers should be hired from Quebec only, and that people from provinces other than Quebec should not be permitted to work on construction jobs there.

We also hear from British Columbia that government people are suggesting that only B.C. workers should be employed on any project within that province. A typical example was seen recently in Prince George where some Saskatchewan people went to obtain employment. Employment was available, but when they said they came from Saskatchewan they were told that only British Columbia people were being hired. We also hear that people in the province of Alberta are suggesting that people from Saskatchewan should go back to Saskatchewan rather than come into Alberta for job opportunities. We have to ask ourselves, where we are going with this type of provincial barrier?

• (10:10 p.m.)

We listened to the chicken and egg debate in this House of Commons concerning the movement of produce from one province to another. We now have a provincial immigration war going on across our nation. No better example could be used than having the Minister of Labour pass the ball to the Minister of Manpower and Immigration (Mr. Lang) in respect of this question. Surely the present pipeline contract over which this dispute arose was public knowledge for some time. This is what the Minister of Labour for Saskatchewan indicated in a press release:

> I wish to make it known, in the bluntest of terms, that the government demands Saskatchewan residents be hired for work undertakings in the province. If this policy is not adhered to immediately, we will take whatever action is needed to facilitate its prompt and effective implementation.

Surely that Minister of Labour knew about the $55 million contract, if he wanted to set down guidelines for the hiring of Saskatchewan welders. I ask the parliamentary secretary whether his department intends to allow Canada to become a country of ten nations, or whether the federal government intends to get the ten Premiers together to bring sense and reason to bear on the real problem facing our nation at the present time.

There is no reason for having a Department of Labour or a Department of Manpower if each province makes its own decision. The relocation grant will mean little if this is to continue and if each of the Premiers of the ten provinces are to set up their own little empires and hire only within their provinces. With regard to the contractor to whom I referred who refused to hire Saskatchewan welders, the union and the provincial government can only be held responsible for the situation which has developed in the province. Unless the federal government immediately moves on this serious problem in Saskatchewan and also in respect of each of the ten provinces in Canada, we will no longer be a nation.

I believe it is important that the parliamentary secretary attempt to answer tonight whether or not the department he represents will try to do something to bring about understanding among the ten provinces of Canada with respect to hiring practices. I am positive that unless understanding is brought about within the departments of labour in each of the ten provinces in Canada, we will become balkanized and a country of ten nations, which is something we must avoid at all costs.

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, it would seem that the concern of the hon. member is at two levels, one short-term and one a long-range solution. Evidently, if the hon. member is looking for a quick solution to the question the most effective place for the matter to be raised would be in the legislature of Saskatchewan. He has admitted that this issue comes under the jurisdiction of the provincial governments.

We have information to the effect that the collective agreements in connection with the pipeline construction project give jurisdiction over welders on this project to the Plumbers and Pipefitters Locals 254 in Winnipeg and 488 in Edmonton, and that other workers are under the jurisdiction of union locals in Saskatchewan. We also understand that pending settlement of negotiations between the plumbers and pipefitters locals in Winnipeg and Edmonton and the local in Regina, work on the pipeline will not commence.

Regarding the long-range issue that the hon. member is raising, as to whether provincial governments should or should not have jurisdiction on labour relations, as they now have for specific sectors, of course this would be a question that could be raised at any federal-provincial constitutional conference. But if a satisfactory solution to this specific issue or to similar issues is to be found within the context of the present Constitution, I would suggest that the approximate place for raising the question is in the respective provincial legislatures, and the hon. member knows that.

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

HOUSE OF COMMONS

Wednesday, May 19, 1971

The House met at 2 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Ottawa, May 19, 1971

Sir:

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 19th of May, at 5.45 p.m., for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Louis-Frémont Trudeau
Brigadier General
Assistant Secretary to the Governor General.

[*Translation*]

ROUTINE PROCEEDINGS

MISCELLANEOUS ESTIMATES

Fourth report of Standing Committee on Miscellaneous Estimates, in the two official languages—Mr. Leblanc (Laurier).

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

[*English*]

On the order: Motions.

Mr. Lewis: Mr. Speaker, I thought the Minister of Labour had a statement to make and was going to rise.

Mr. Mackasey: Mr. Speaker, I thank the hon. gentleman for welcoming me back to the House. I was fishing for a few moments.

* * *

UNEMPLOYMENT INSURANCE

STATEMENT ON POSSIBLE EXTENSION OF SEASONAL BENEFITS

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, last week when we were discussing the unemployment figures for the month of April I promised to make a statement on motions pertaining to the possibility of extending seasonal benefits. First, in discussing this matter, I think I should emphasize that seasonal benefits are available under the Unemployment Insurance Act for the period between December 1 and May 15 and are payable to those who have a very minimal attachment to the labour force but are unable to qualify for regular benefits. Eligibility is based on much less rigid qualifying conditions but is not limited to those who work in seasonal occupations. In this context it must be emphasized that the basic purpose of unemployment insurance is to provide benefits for relatively short-term periods of unemployment. Under both the present program and the new program, a maximum duration of 51 or 52 weeks is considered the right period of time, with an average duration per claim of about 14 weeks.

The case for extending seasonal benefits could possibly rest on two points: First, the relatively higher unemployment rate for this time of year and hence the relatively greater difficulty of finding work; second, the assumption that people whose benefits terminate at the end of the seasonal benefit period will automatically begin drawing welfare. By this reasoning, the assumption is made that the 200,000 claimants whose benefits terminated on May 15 require a continuation of financial assistance and that the simplest method of assistance would be to extend the benefits for further periods of time.

• (2:10 p.m.)

With regard to the case against extension, while the extension of seasonal benefits appears to be a relatively automatic and simple type of adjustment, I would like to explain the reasons why it did not appear to the government that we should take this measure at this time.

Although the level of unemployment for this time of year is higher than in past years and higher than had been anticipated for the month of April, I would like to emphasize that the number of people drawing seasonal benefits is not correspondingly higher this year than the number who were drawing seasonal benefits in former years at this particular time of the year. I might add that the number of people drawing seasonal benefits on May 15 last year was 180,000 as opposed to 200,000 this year and 160,000 in 1969.

Of these estimated 200,000 claimants who were drawing seasonal benefits at the end of April, there would be approximately 40,000 in the fishing industry and 12,000 in agriculture. These industries can be identified separately because of the distinct contribution system for them, but in addition it is known that there are many tens of thousands of people in forestry, water transportation and other industries whose period of unemployment could reasonably be expected to end at this time.

Studies carried out by the commission of the recipients of seasonal benefits have indicated that more than 60 per cent of such claimants are back at work at or about the

time that seasonal benefits terminate. These studies have also shown that there is another large group of claimants who have, for all intents and purposes, left the labour force voluntarily and in some cases have been on prolonged claims for periods of up to 70 weeks. Included in this group would be those who have left the labour force because of age, retirement or occupations in the home.

It has also been observed in the studies mentioned earlier that seasonal benefits in certain occupations and regions have come to influence the pattern of work where recalls by employers and the return to work by employees are made to coincide with the end of the seasonal benefits period.

There is no evidence that persons exhausting seasonal benefits necessarily go on welfare. We have analysed figures over a number of years of the numbers of unemployed employables on welfare in certain cities and there is no significant indication that welfare rolls increase significantly as a result of the termination of seasonal benefits, or conversely that welfare rolls decline on December 1 with the start of seasonal benefits. Indeed, it is generally accepted that the increase in welfare beneficiaries during the past few years has come mainly from that part of the population not now covered by unemployment insurance or unable to qualify under the present rules.

All these considerations point to the fact that the extension of seasonal benefits would have the tendency of providing an automatic benefit to a substantial number of people who may in fact no longer be members of the labour force. On the other hand, it would not in any way change the situation for those who cannot qualify for unemployment insurance benefits under the present rules.

To conclude, the cost of extending benefits even for a period of let us say six weeks ending June 27 would be between $35 million and $45 million. The government believes that because of the difficulty of clearly determining those among recipients of seasonal benefits who would deserve assistance, this would not be the best way of spending such a large sum of money.

The white paper on unemployment insurance and Bill C-229 both propose that the solution to the problem of people who do not qualify for regular benefits rests primarily on lower eligibility conditions and a method of extension of benefits which reflects the economic conditions at national and regional levels. We feel so strongly about these features that we are proposing to abolish the present method of paying seasonal benefits. This has been endorsed almost unanimously by all those who have expressed views on the white paper and on Bill C-229. Because these will be in effect very soon, I believe that the extension of seasonal benefits at this stage under the circumstances I have just explained would not be desirable at this time.

The Leader of the Opposition (Mr. Stanfield) quite properly asked for some added information in the form of a breakdown of the characteristics of the 348,000 Canadians reported out of work for more than four months as of mid-April. It is a detailed answer, Mr. Speaker. I have sent a copy of it on to the hon. gentleman, but based upon the findings that we have been able to come up with it would appear that approximately 300,000 of these 348,000 people who have been unemployed for 14 weeks or more are drawing or were drawing unemployment insurance at the time the latest statistics became available.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, the long awaited no-statement has suddenly been produced by the minister. We on this side sit here in utter disbelief and indignation when we hear the minister say that in his judgment, because of a cost of some $35 million or $40 million, it is not feasible for the government to become involved with the seasonal workers, this at a time when the government judges it satisfactory to spend some $58 million on behalf of students seeking employment. It seems to me that the judgment of the government has to be questioned.

Some hon. Members: Hear, hear!

Mr. Alexander: I listened to the minister in utter disbelief. It appears to me that his role is to be the nice guy. His role as minister is to palliate, while the role of the Prime Minister (Mr. Trudeau) is to throw red herrings into important discussions similar to this one. When thousands have been unemployed for so long that they have lost all their benefits, and the cities are being crippled by welfare payments, the Minister of Labour (Mr. Mackasey) will not bring in any extension of benefits for seasonal workers, which in effect would reduce the tension and lack of confidence that are permeating our entire society.

With six weeks to go to the target date for implementation of the new Unemployment Insurance Act the minister has suddenly been gripped by the urgency of the plight of the unemployed. But apparently his only concern about them is to attempt to mitigate or explain away their situation. He has not given us a statement of purpose, a statement that would indicate to the unemployed that something is going to be done. Rather, he has given a statement indicating that he is going to bring in some relief to alleviate the situation on July 1.

The minister and the government have become so smug and snug that they have lost touch with the frustrations and despair that go along with being out of work for any length of time or with being out of work—period. The Minister of Labour leaves the impression that he is above it all. The minister wants the country to believe that he is the conscience of the Liberal party, of Pearson, King and St. Laurent, and that his job is to be the humane flank for an inhumane government. I suppose that is why he had the audacity to make this statement today, or maybe he would like to leave the impression that he does not know what is going on in the government.

Let me remind the minister and the government that as a result of the government's fiscal and monetary policies it has left the people of the country with a lack of confidence in the economy which has deprived us of $2

billion in the last year and 200,000 jobs. That is a shameful record, to say the very least. The deliberate waste of our human resources which stems from archaic and questionable fiscal and monetary policies is just short of criminal. The government's policy in effect is really to remove employables from gainful employment and prevent others from being gainfully employed, directing all of them to the welfare rolls. To me that is a platform for chaos, disunity, misery and despair. Hellyer and Kierans are the only two who are responsible, and I would say—

Mr. Speaker: Order, please. I should remind the hon. member that when he refers to other hon. members he should as much as possible refer to their constituencies. There is no reason why the two members he has referred to should not be designated by reference to their constituencies.

Mr. Alexander: Mr. Speaker, I am very sorry for my lack of understanding, but let us say that the two ministers who recently resigned questioned not only the leadership of the government but also the economic policies which have exposed the disastrous course of the government. They have stated, and this is the way I read it: Stop looking at the man and look at his government, his policies and their effect on the nation. It seems to me that this government feels so snug with its majority that it has become smug and has simply lost touch with how desperate and tense a life it is for the thousands of jobless.

• (2:20 p.m.)

As I said before, the ministers' job is to be the humane flank for an inhumane government. I believe his position is an illusory, deceitful and fruitless posture and his own actions and his participation in this cabinet have made this pretence a rather morbid national joke.

Where was the Minister of Labour when the cities pleaded for assistance to help their unemployed? Where was the Minister of Labour when the provinces requested emergency assistance beyond the inflexible and inadequate Canada Assistance Plan? Where was the minister when the Minister of Finance (Mr. Benson) persisted with indifferent, slow growth policies all winter? We on this side of the House know. He has been and remains at the centre of the problem. He is part and parcel of this whole devious scheme.

We have pleaded with the minister month in and month out to take it upon himself to bring in easier access and higher benefits in order that some confidence may be regained and so that there will be a psychological effect on the country. The minister has refused. While talking about universality and standing up proud and strong against the teachers, he has ignored the plight of tens of thousands of long-term unemployed young people who have been without work and unemployment insurance benefits all winter. Instead of providing an answer for them—

Mr. Speaker: Order, please. I have to interrupt the hon. member. I know how important the matter is to which the hon. member is referring but he appreciates, I am sure, the limitations placed on comments made by hon. members when speaking on behalf of opposition parties in reference to ministerial statements. The Standing Order states that an hon. member shall comment briefly on the statement made by the minister. I have said often and I repeat that it is very difficult for the Chair to determine what is brief and what is not. Hon. members have to be guided to some extent by their own concept of brevity, but I would invite the hon. member to come to the conclusion of his statement.

Mr. Alexander: Thank you, Mr. Speaker. When the minister presents a statement such as this, a "know-nothing" statement, it gives the opposition the right to bring home to the government and to the Canadian people just what the circumstances are. However, I shall bow to the wishes of the Chair, and rightly so. In conclusion I should like to say that it is time for the Minister of Labour and the government to come clean.

Some hon. Members: Resign!

Mr. Alexander: He should accept our position that the first step toward providing lasting and adequate assistance for the poor, the unemployed and students is to get the economy back to full growth and full employment.

Some hon. Members: Hear, hear!

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, we have heard a smug statement from a minister reflecting the thinking of a smug cabinet which has lost completely its touch and its concern for the average person in this country. The average person in this country, whether he happens to be working or not and many are not right now, is concerned about the very high level of unemployment that exists, because all of us are affected directly or indirectly.

Given the pious expressions which have come from this minister in the past one would have hoped that he would find reasons and a method to extend the seasonal benefits. He did not come before us today as he did the other day and suggest that there was no possibility of extending benefits within the present legislation because apparently he found that there is that legal possibility and he could have acted had he so desired. Instead, he presented to us a loosely connected batch of arguments that do not hold water.

First of all, he suggested that the number of people drawing seasonal benefits is no higher than at this time of the year in the past. Second, he said that a number of farmers, fishermen and others who are seasonally unemployed would be going back to work soon. I should like to remind the minister that one of his obligations is to check statistics rather carefully. If he does he will find that, compared with this time last year, there is now an increase of 30 per cent in the numbers of those drawing seasonal benefits. The figure has gone from 172,000 to some 223,000 which is, I repeat, a 30 per cent increase. It is not a constant figure.

Furthermore, when the minister says that a number of those people will soon be going back to work, I suggest that he look at the speeches made recently in this House, one yesterday by the Minister of Finance (Mr. Benson) and one last week by the Minister of Manpower and Immigration (Mr. Lang). In those speeches those ministers pointed out that because of the exceptional winter we have faced, because of the prolonged cold and so on we are perhaps at least one month behind in catching up with the normal seasonal increase in the numbers of employed. That, it seems to me, provides within the context of government arguments good reason for extending seasonal benefits. Two responsible ministers in the cabinet have said that this country is lagging behind as a result in part of a severe winter. That is what seasonal benefits are all about. If there is a lag, why then does the government not extend seasonal benefits?

The third argument that the minister trotted out for us to consider is that normally those who go off seasonal benefits do not go on the welfare roles. He referred to a study which shows this. I suggest that the government is under the minimum obligation of tabling in the House that study which documents that purported fact. It may be the case that in the past a number of those who went off seasonal benefits did not go on welfare. That may have been true when only 130,000 people were involved. Nevertheless, if 200,000 people are now getting such benefits and are cut off, I suggest to the government that it is an elementary step of logic to expect that a very large percentage of them will find themselves on the welfare rolls across the country. So much for the third argument, Mr. Speaker. I use the word "argument" in a flattering sense, because I do not think what the minister actually presented amounted to arguments.

This government has produced the highest level of unemployment in this country in a decade and is now obligated to do something about it. We heard the Minister of Finance yesterday say effectively that he will not change his course of action. I, for one, had hoped that the Minister of Labour, who of all men ought to be concerned about the average people in this country, would come before the House, acknowledge the facts about the seasonal situation we have gone through in the past winter, a situation that was acknowledged by two other cabinet ministers, and extend seasonal benefits. But no, he has not done that. He has joined the Minister of Finance and his other smug colleagues and is sitting this very serious problem out on the front benches of the government. I suggest that if the minister is concerned about the average person in this country, he ought to follow the two hon. members who were recently cabinet ministers and become a backbencher in the Liberal party.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, like hon. members who spoke before me, I would have liked to obtain a copy of the minister's statement in my own language. I wish to make another remark before commenting on the statement. We are tired of hearing government members make statements to the House and apologize to us because they are unable to give us a French version of those statements. The minister always says: The translation is not completed yet, we are sorry, we apologize. We can accept his excuses once or twice, but we find that this way of doing things has become a habit. I regret having to take the minister to task for not supplying us, as he does other hon. members, with a French version of his statement.

Mr. Speaker, the minister announced today that an extension of six weeks' benefits will be granted to those who were deemed to be unemployed from May 15 to June 30, 1971. From now on, there will not be any regular or seasonal unemployed, but permanently unemployed before they in turn become welfare recipients. That is the way this government seems to solve the unemployment problem of Canadians and yet, in 1968, it had pledged the establishment of a just society.

Yesterday, the Quebec Minister of Labour stated that the number of welfare recipients had quintupled between 1960 and 1969, on account of the federal government's economic policy as well as that of some provincial governments—and this is where the Minister of Labour (Mr. Mackasey) is not giving us all the figures concerning unemployment insurance benefits—welfare recipients in the province of Quebec numbered 139,400 in 1969 as compared with 101,500 in 1960. Mr. Cournoyer pointed out that the recipients of unemployment insurance are now on social welfare.

We can note the same phenomenon in Ontario where municipalities have indeed paid $9,500,000 in social welfare allowances in February 1971, an increase of 68 per cent over February 1970. In February 1971, 69,946 persons received allowances from the Ontario social welfare service, an increase of 48 per cent in comparison with February 1970. There were in March last 70,000 unemployed in the metropolitan area of Toronto and 201,000 throughout Ontario.

• (2:30 p.m.)

It is unnecessary to quote other figures to show to the Canadian people that this government is quite competent when it comes to making statements but that it is extremely incompetent where economic achievements are concerned. Today Canadian provinces and municipalities are experiencing a depression period, because the government does not shelve the financial and monetary concepts of 50 years ago.

Mr. Speaker, the Minister of Regional Economic Expansion (Mr. Marchand) has been making statements and pointing out that he wants to create employment. But where are the figures with respect to employment? Some 200 jobs are created in one community while 800 workers are laid off in another, according to figures.

Mr. Speaker, there is but one solution to the economic problem in Canada and it is not a matter of getting back to creating jobs, but one of creating purchasing power for consumers so that they can buy products, which would automatically generate some jobs and allow our country to become prosperous.

[*English*]

Mr. Mackasey: On a point of order, Mr. Speaker. I will gladly apologize to the Social Credit party if I did not send them a copy of my statement in the French language. However, I suggest that the hon. member check with his leader—and who knows who it is in that party—and report back before the question period ends on whether we delivered to him an advance copy of my statement in French. If it was in English, I apologize. If it was in French, I hope the hon. member will do the same.

[*Translation*]

Mr. Rondeau: I rise on a question of privilege, Mr. Speaker.

I would suggest to the minister that in the future he should make at least one French copy available to us in this House if he cannot hand it over to us before.

[*English*]

Mr. Speaker: The hon. member for York South.

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for York South has the floor.

* * *

PRICES AND INCOMES COMMISSION

STATEMENT BY CHAIRMAN CONCERNING INFLATION—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David Lewis (York South): Mr. Speaker, under the provisions of Standing Order 43 I would like to seek unanimous consent of the House to move a motion. My motion arises out of a continuing series of statements by the chairman of the Prices and Incomes Commission to the effect that inflation remains Canada's number one economic enemy in spite of clear evidence that anti-inflationary policies have contributed to the present unemployment crisis. Because Dr. Young's statements are doing great harm to economic recovery, I move, seconded by the hon. member for Winnipeg North Centre (Mr. Knowles):

That the present chairman of the Prices and Incomes Commission be dismissed forthwith and that, if the commission is to be retained as a government agency, its functions be redefined to prevent its chairman from being a propagandist and apologist for disastrous policies.

Some hon. Members: Hear, hear!

Mr. Speaker: Hon. members have heard the motion presented by the hon. member for York South. The motion requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

Mr. Woolliams: Before we deal with questions on the order paper, Mr. Speaker, I would like once again to bring something to Your Honour's attention. The Prime Minister (Mr. Trudeau) is absent. We know that he is on an official visit. Under the roster system there are seven ministers who are supposed to be here but are not. We do not accept the roster system. There are 15 absent altogether. How can the opposition conduct its business today and ascertain what is going on?

I would like to name these ministers, and I think Your Honour should bear with me. Their names should be on the record. In view of the fact that the Prime Minister is away, and I do not make anything of that, surely the government House leader should get these ministers out of their offices and bring them here.

Some hon. Members: Hear, hear!

Mr. Woolliams: The number is now reduced to six. The Minister of Finance (Mr. Benson) has come into the chamber.

Mr. Benson: I have been here all the time.

Mr. Woolliams: The Minister of Regional Economic Expansion (Mr. Marchand), the Minister of Energy, Mines and Resources (Mr. Greene), the Minister of Indian Affairs and Northern Development (Mr. Chrétien), the Minister of Consumer and Corporate Affairs (Mr. Basford), the Minister of Transport (Mr. Jamieson) and the Minister of Manpower and Immigration (Mr. Lang), who is responsible for the wheat board, are absent.

Some hon. Members: Shame!

Mr. Woolliams: Maybe at the sound of my voice more will come into the chamber. With the Prime Minister away, maybe the roster system could be set aside and we could get some kind of organization so that the opposition can do its job.

Some hon. Members: Hear, hear!

An hon. Member: They are all sick, sick of Benson.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk).

COST OF FRENCH-ENGLISH TRANSLATION

Question No. 599—**Mr. Nowlan:**

1. What was the average cost per word of French-English translation performed by the Translation Bureau, including apportioned overheads?

2. What was the average cost per word of French-English translation performed by outside contractors?

Questions

3. What was the percentage of French-English translation performed by outside contractors in each of the past five years ending March 31, 1970?

4. For each of the same years, in the Translation Bureau of the Department of the Secretary of State, what was (a) the total production in hours of service (b) the total production in words (c) the backlog of work in words to be translated at the end of each year?

5. For each of the same years, what was the number of unfilled authorized positions, in each grade, at the end of each year?

6. For each of the same years, what was the average number of months all translators and interpreters working in the Translation Bureau had been on the staff?

7. For each of the same years, what was the number of translators and interpreters who had been on the staff of the Translation Bureau (a) less than twelve months (b) less than twenty-four months?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. The average cost per word of French-English translation performed by the Translation Bureau, including apportioned overheads, was the following: 1965-66, 3.5 cents; 1966-67, 3.9 cents; 1967-68, 3.75 cents; 1968-69, 5.45 cents; 1969-70, 6.06 cents.

2. The average cost per word of French-English translation performed by outside contractors was the following: 1965-66, 2.65 cents; 1966-67, 2.7 cents; 1967-68, 3.1 cents; 1968-69, 5.04 cents; 1969-70, 5.24 cents.

3. The percentage of French-English translation performed by outside contractors in each of the past five years ending March 31, 1970, was: 1965-66, 8.27% 1966-67, 11.22%; 1967-68; 11.78% 1968-69, 9.04%; 1969-70, 10.71%.

4. For each of the same years, in the Translation Bureau of the Department of the Secretary of State, (a) the total production in hours of service was the following: 1965-66, 122,948 hours; 1966-67, 146,106 hours; 1967-68, 171,664 hours; 1968-69, 207,740 hours; 1969-70, 264,584 hours; Service hours cover time spent on revision, research, administration, editing, proof-reading, lectures to trainees, and other duties, but not the time spent on translation proper. (b) the total production in words was the following: 1965-66, 77,005,931 words; 1966-67, 93,272,627 words; 1967-68, 94,918,864 words; 1968-69, 89,405,003 words; 1969-70, 102,511,387 words. (c) the backlog of work in words to be translated at the end of each year was the following: 1965-66, 4,876,826 words; 1966-67, 5,825,453 words; 1967-68, 5,655,284 words; 1968-69, 6,216,250 words; 1969-70, 9,633,128 words.

5. It has not been possible to establish the number of vacancies in each grade. The number of unfilled authorized positions as at September 30th: 1966, 44; 1967, 54; 1968, 38; 1969, 97; 1970, 87.

6. An excessive number of man-hours would be required to supply the information requested.

7. (a) 1965-66, 52; 1966-67, 57; 1967-68, 74; 1968-69, 107; 1969-70, 108.

(b) 1965-66, 88; 1966-67, 109; 1967-68, 131; 1968-69, 181; 1969-70, 215.

[Mr. Nowlan.]

[*English*]

FEDERAL ASSISTANCE TO PROVINCES IN DEFRAYING COST OF LANGUAGE TRAINING

Question No. 678—**Mr. Knowles (Winnipeg North Centre):**

1. Are federal funds available to assist the provinces in defraying the costs of (a) teaching new Canadians to speak English (b) teaching Francophone Canadians to speak English (c) teaching second generation Canadians to speak English?

2. If so, what amount is available for each province?

3. What steps should a local community (e.g., Ottawa) take to secure its share of such funds?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. (a) Federal funds are available to help provinces defray the cost of English language classes and textbooks for new Canadians. (b) and (c) Under the programme of cooperation and development of bilingualism in education, federal funds are allocated to the provincial governments on the basis of their minority language educational programmes (French outside the province of Quebec and English in Quebec) and of their second language teaching programmes (English in the province of Quebec and French in other provinces). However, ethnic or linguistic origin or length of residence in Canada are not criteria used in the allocation of these funds.

2. (a) The federal government contributes one-half of whatever the provinces spend or contribute towards the teaching costs of English or French instruction to adult immigrants, plus reimbursement for expenditure on language textbooks for use by adult immigrants up to the amount of the average calculated on the five preceding years.

During the fiscal year 1970-71 the federal government contributed the following amounts to the provinces:

Under the Language Instruction Agreement		
British Columbia		$ 28,331.00
Manitoba		6,141.00
Alberta		6,266.50
Ontario		712,192.16
Quebec		64,751.00
New Brunswick		904.81
Saskatchewan		5,385.64
Total		$823,972.11
Under the Language Textbook Agreement		
Alberta		2,051.10
Saskatchewan		1,150.03
Manitoba		4,328.84
Ontario		72,397.25
		79,927.22
Quebec	(approx.)	50,000.00
Total		$129,927.22

(b) and (c) Since ethnic or linguistic origin or length of residence in Canada are not criteria used in the programme for the development of bilingualism in education, meaningful figures concerning the teaching of English to

francophone or second generation Canadians are not available. However, in addition to grants for administrative costs, grants to the province of Quebec for 1970 will total approximately $17 million for educational programmes conducted in the English language and approximately $4.5 million for teaching English as a second language.

3. Requests for federal funds for teaching New Canadians to speak English should be directed to the Provincial Department responsible for the integration of New Canadians which administers the federal-provincial Agreements on Language Instruction and Language Textbooks. Arrangements for second language instruction are designed to make federal support possible without infringing on provincial jurisdiction in the field of education. School boards or institutions seeking assistance under this programme should direct their request to the department of education of their province.

[*English*]

YOUTH HOSTELS

Question No. 766—**Mr. Alexander:**

Has any report or evaluation of the project which provided facilities for youth hostels in various Canadian cities been undertaken and, if not, for what reason?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): In so far as the Department of National Health and Welfare is concerned: An evaluation and survey of activities in the transient youth field, including a partial assessment of the National Hostel Task Force activities during the summer of 1970-71 was undertaken by the Canadian Council of Social Development. This survey was financed by the Department of National Health and Welfare. The report is available from the Canadian Council on Social Development. In addition, the Department of National Health and Welfare conducted its own survey of the transient youth situation during the summer of 1970. The resulting report is available from the Department.

In so far as the Department of the Secretary of State is concerned: An appraisal of the programme was made but no written report followed.

SUPPLY OF WEAPONS FOR WAR IN VIET NAM

Question No. 930—**Mr. Rondeau:**

1. Does Canada provide weapons for the war in Vietnam, if so (a) how many (b) what types?

2. How much money does Canada obtain from such supply yearly?

3. How many people are employed in the manufacture of such weapons?

4. What are the names of the plants involved (a) what amounts are involved (b) what type of weapons are involved (c) what is the caliber of the weapons?

5. What amounts does the Department of Revenue collect (a) as taxes (b) as various profits?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of Industry, Trade and Commerce and the Department of National Revenue as follows: 1, 2, 3, and 4. Canada does not grant export permits for the shipment of weapons to Viet Nam, and no weapons are delivered by Canadian suppliers to any destination in Viet Nam. Defence equipment sold by Canada to the United States is absorbed into the general inventory of the military services of that country and its ultimate disposition and destination is a matter for the authorities of the United States to decide. The same principle applies to defence equipment which Canada purchases from the United States.

5. (a) Records maintained by the Excise Tax Branch do not provide for this type of specific information. Moreover, goods manufactured in Canada and exported are exempt from sales tax under the terms of section 44 of the Excise Tax Act. (b) Not applicable.

NATIONAL REVENUE—OUTSTANDING TAXES

Question No. 1,112—**Mr. Mather:**

1. What is the total, in dollars, of delinquent taxes owed to the Department of National Revenue by individuals and corporations?

2. What was the amount, in dollars, as of this date in 1968, 1969 and 1970?

3. What is the amount, in dollars, of sales tax outstanding in the same periods?

4. What was the amount of penalty outstanding in the same periods?

Hon. Herb Gray (Minister of National Revenue): Taxation Division: 1, 2 and 4. Taxes, penalties and interest outstanding:

	March 31		
	1970 ($000)	1969 ($000)	1968 ($000)
Particulars			
Income Tax			
Individuals	171,144	143,499	122,017
Corporations	113,771	96,036	116,959
Tax Deductions	18,789	13,077	11,286
Non-Residents	4,051	3,964	6,329
Deferred Tax	4,563	4,757	5,099
	312,318	261,333	261,690
Estate Tax and Succession Duty	20,992	15,405	15,903
Sundry	—	—	5
Total	333,310	276,738	277,598

Customs and Excise

3 and 4. Sales tax and penalties outstanding:

	Sales Tax $	Penalty $
March 15, 1971	11,466,229.06	1,756,919.06
March 31, 1970	12,987,924.28	1,373,761.31
March 31, 1969	8,329,890.22	1,395,963.71
March 31, 1968	10,609,742.04	1,862,509.28

Questions

CANADA COUNCIL ASSISTANCE FOR PRODUCTION OF FILM ENTITLED "LES MÂLES"

Question No. 1,236—**Mr. Valade:**

1. Has Canada Council or any other federal agency made grants or any financial assistance for the production of a film entitled *Les Mâles* and, if so, how much money?

2. Has this film any artistic value?

3. What criteria justified such assistance?

4. What firm benefited from such financial assistance and is it a subsidiary of other cinematographical concerns taking part or having interests in this film?

5. Which firm owns this film and, who are (a) the principal officers (b) the chairman (c) the vice-chairman (d) the secretary-treasurer?

6. (a) Does the government or governmental agency concerned receive any benefit from the marketing of this film (b) how are the financial risks shared?

7. In case of financial failure, are any guarantees of reimbursement or payment stipulated by the government or its agency of the beneficiary and, if so, what are they?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): 1. The Canadian Film Development Corporation has invested in the film entitled *Les Mâles*. I am informed by the Canadian Film Development Corporation that in order to protect the producer and other investors in their negotiations with third parties, the Corporation does not divulge the amount of its investments.

2 and 3. The criteria justifying this investment are those stated in section 10 (2)(a) of the Act providing for the establishment of the Corporation: "that the completed film will, in the judgment of the Corporation, have a significant Canadian creative, artistic and technical content..."

4. The producer of the film is Onyx Films Inc. The Company is not a subsidiary of another film company.

5. The owner of the film is Onyx Films Inc. whose principal officers are: Michel Plessis-Bélair, President, Guy Fournier, and Claude Héroux.

6. (a) The Corporation has recovered part of its investment. (b) The Corporation, like other investors, is reimbursed in proportion to its investment.

7. No form of guarantee has been required from the producer.

[*English*]

TRANSLATION OF DOCUMENTS IN GOVERNMENT DEPARTMENTS

Question No. 1,280—**Mr. Nowlan:**

Do any government departments still have every letter, document and memorandum in French translated into English as a matter of course and, if so, which ones?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): No.

[Mr. Gray.]

INVESTIGATION OF FOOD PRICES AT KASABONIKA, ONTARIO

Question No. 1,300—**Mr. Yewchuk:**

Is an investigation being carried out on food prices at Kasabonika, Ontario, and, if so, what is the nature of such investigation?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): So far as the Combines Investigation Act is concerned, the general practice is that no information is given out as to whether a particular inquiry is in fact being pursued unless and until a report is published or proceedings taken in the courts.

PIPELINE RESEARCH CONDUCTED BY CANADIAN WILDLIFE SERVICE

Question No. 1,302—**Mr. Harding:**

1. What specific aspects of pipeline research are being conducted by the Canadian Wildlife Service?

2. What are the amounts being spent on such research?

3. On what date can the results of this research be expected?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): 1. Northern Ecology Studies: Co-operative studies with the State of Alaska on the Porcupine Herd of caribou which cross between Alaska and the Yukon Territory. The studies concern population structure, recruitment, mortality factors in relation to harvest rates and migration routes. To critically evaluate the requirements for food and space of this population. Provide guidelines to development organizations for mitigating damage to wildlife habitat. Waterfowl Population and Habitat Inventories: Nesting and staging grounds in amplification of Arctic ecology map series data. Dall Sheep Population and Habitat: Studies of population structure recruitment, mortality factors in relation to harvest rates, and habitat requirements.

2. $92,033 by the Canadian Wildlife Service during the fiscal year 1971-1972, has been authorized through normal budgetary procedures.

3. Preliminary results have already been communicated to resource use agencies and pipeline consortia on request. Final reports will be available in 1973.

BONNE BAY PARK, NFLD.—LOSS OF FISHING PRIVILEGES

Question No. 1,305—**Mr. Marshall:**

1. Will Newfoundland fishermen whose inshore fishing areas lie within the limits of the Bonne Bay Park be compensated by the federal government for loss of their traditional fishing privileges and, if so, in what manner?

2. Has the federal government, in co-operation with the Province of Newfoundland, discussed plans for retraining programs and other aids for the fishermen who might be displaced by the establishment of the Bonne Bay Park?

3. Will fishermen within the boundaries of the Bonne Bay Park be allowed to retain the use of wharf and other facilities situated within the boundaries of the Park?

4. Has the Government of the Province of Newfoundland entered into discussions with the federal government as to plans

for the resettlement of those communities within the boundaries of the Bonne Bay Park and, if so, what communities are affected?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. When the boundary has been finalized, discussions regarding compensation for fishermen will take place and compensation will be arranged if there is a loss of traditional fishing privileges.

2. Preliminary discussions have been carried out with the Provincial Government to outline the types of programs which have been carried out in other areas. In establishing a park the province retains jurisdiction for resettlement or retraining programs.

3. An assessment will be made in conjunction with the fishermen to determine their needs and to explain park requirements.

4. The boundaries attached to the agreement signed last October 31 indicate which communities will require relocation. Preliminary discussions have been carried out with the Provincial Government to outline the types of programs which have been carried out in other areas. In establishing a park the province retains jurisdiction for resettlement or retraining programs.

COMPULSORY CONTROLS ON PRICES AND WAGES

Question No. 1,320—**Mr. Yewchuk:**

Has the government taken a position with respect to compulsory controls on prices and wages and, if so (a) what is it (b) on what basis was it taken?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Attention is directed to *Hansard* page 5680, dated May 11, 1971.

REPRESENTATIONS BY NEWFOUNDLAND TO AMEND REGULATIONS GOVERNING SEAL HUNT

Question No. 1,335—**Mr. Carter:**

Have representations been made to the Government of Canada by the Premier of Newfoundland to amend the regulations governing the seal hunt and, if so, what changes in the regulations were recommended?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Informal discussions were held between the Government of Canada and the Premier of Newfoundland, primarily related to the continuation of the hunt. No official recommendations for specific amendments to the Seal Protection Regulations have been received by the Government of Canada from the Premier of Newfoundland.

REPRESENTATIONS FROM NEWFOUNDLAND CONCERNING OPERATIONS OF HERRING SEINERS

Question No. 1,338—**Mr. Carter:**

Did the Government of Canada receive representations from the Government of Newfoundland concerning the operations of herring seiners on Newfoundland's inshore fishing grounds during 1970 and, if so, what were the recommendations?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): Several discussions were held between officials of the Government of Canada and officials of the Government of Newfoundland on problems which arose between small boat fishermen and large seiner fishermen. The discussions related to means of resolving the concerns of both types of fishing operations.

REQUEST FROM NEWFOUNDLAND FOR ASSISTANCE TO FISHERMEN WHO SUFFERED LOSSES IN THE FERRYLAND AREA

Question No. 1,339—**Mr. Carter:**

Has the Government of Canada received a request from the Government of Newfoundland to assist fishermen and others in the Ferryland (Newfoundland) area who suffered losses of fishing gear and property etc., as a result of a recent severe storm in that area and, if so, was assistance offered and to what extent?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): No official representations have been received from the Province of Newfoundland for storm damage assistance at Ferryland or any other location in respect of damage sustained this past winter.

MONTMAGNY CONSTITUENCY—PROJECTS IN WHICH FEDERAL GOVERNMENT HAS BEEN FINANCIALLY INVOLVED

Question No. 1,442—**Mr. Lambert (Bellechasse):**

For each project in which the government has been financially involved from 1965 to 1968, in Montmagny County (*a*) what was the nature of the project (*b*) what amount was allocated by the federal government (*c*) what amount was allocated by the provincial government (*d*) have other contributions been made and, if so (i) in what amount (ii) by whom?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): It is not feasible to provide aggregate information on expenditure disbursements or revenue collections for constituencies, counties or other comparable units. Government estimates are not prepared on this basis nor are records of expenditures kept in this way. Information concerning expenditures could be supplied about specific projects or programs which are identified in a question. These, of course, would in some cases relate to a particular constituency or locality.

BELLECHASSE COUNTY—PROJECTS IN WHICH FEDERAL GOVERNMENT HAS BEEN FINANCIALLY INVOLVED

Question No. 1,445—**Mr. Lambert (Bellechasse):**

For each project in which the government has been financially involved from 1965 to 1968, in Bellechasse County (*a*) what was the nature of the project (*b*) what amount was allocated by the federal government (*c*) what amount was allocated by the provincial government (*d*) have other contributions been made and if so (i) in what amount (ii) by whom?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): See answer to Question 1,442 answered this day.

Orders for Returns

LÉVIS COUNTY—PROJECTS IN WHICH THE GOVERNMENT HAS BEEN FINANCIALLY INVOLVED

Question No. 1,446—**Mr. Lambert (Bellechasse):**

For each project in Lévis County, which involved the government financially since 1965 (*a*) what was the nature of the project (*b*) what amount was allocated by the federal government (*c*) what amount was allocated by the provincial government (*d*) have other contributions been made and, if so (i) in what amount (ii) by whom?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): See answer to Question No. 1,442 answered this day.

DORCHESTER COUNTY—PROJECTS IN WHICH THE GOVERNMENT HAS BEEN FINANCIALLY INVOLVED

Question No. 1,447—**Mr. Lambert (Bellechasse):**

For each project in which the government has been financially involved from 1965 to 1968, in Dorchester County (*a*) what was the nature of the project (*b*) what amount was allocated by the federal government (*c*) what amount was allocated by the provincial government (*d*) have other contributions been made and, if so (i) in what amount (ii) by whom?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): See answer to Question No. 1,442 answered this day.

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QUESTIONS PASSED AS ORDERS FOR RETURNS

ASSISTANCE TO INDIAN ORGANIZATIONS IN PAST FIVE YEARS

Question No. 706—**Mr. Horner:**

1. How much money has gone to Indian organizations in Canada in the past five years (a) who are they (b) what amount to each?

2. How much money has gone to other organizations or associations connected with Indian people (a) who are they (b) what amount to each?

3. How much money has been spent in the office of the Committee on Indian Rights and Treaties?

Return tabled.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE—ASSISTANCE TO WELFARE ORGANIZATIONS

Question No. 1,042—**Mr. Rondeau:**

1. How much money was paid by the Department of National Health and Welfare to various welfare organizations during the past year in Canada (a) what were the names of the organizations (b) and, what amount did each receive?

2. Did the Department finance "The Hamilton Welfare Races"?

Return tabled.

[Mr. Jerome.]

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notice of Motion No. 198 is acceptable to the government.

CORRESPONDENCE BETWEEN MR. F. C. JAMES AND THE CANADIAN TRANSPORT COMMISSION AND GOVERNMENT

Motion No. 198—**Mr. Rowland:**

That an Order of the House do issue for copies of all correspondence between Mr. F. C. James of Winnipeg, Manitoba and the Canadian Transport Commission, the Minister of Transport and the Minister of Supply and Services.

Motion agreed to.

Mr. Jerome: Notice of Motion No. 232 is acceptable to the government subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Subject to the conditions stated by the parliamentary secretary, is the pleasure of the House that Notice of Motion No. 232 be deemed to have been adopted?

Some hon. Members: Agreed.

[*English*]

CORRESPONDENCE RESPECTING PROPOSED NATIONAL PARK AT VAL MARIE-KILLDEER, SASKATCHEWAN

Motion No. 232—**Mr. Burton:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House a copy of the following documents with respect to the proposed second national park in Saskatchewan to be situated in the Val Marie-Killdeer area (a) all correspondence between the Government of Canada and the Government of Saskatchewan on this park since January 1, 1964 (b) all correspondence between the Government of Canada and other interested persons and organizations since January 1, 1964, concerning the proposed park (c) an outline of plans for development of this park.

Motion agreed to.

Mr. Jerome: Would Your Honour be good enough to call Notices of Motions Nos. 163 and 179?

COPIES OF MINUTES OF MEETINGS OF PUBLIC HEALTH ENGINEERING ADVISORY COMMITTEE

Motion No. 163—**Mr. Alexander:**

That an Order of the House do issue for copies of the Minutes of all meetings of the Public Health Engineering Advisory Committee, responsible to the Minister of National Health and Welfare, up to and including the meeting of November 24, 1970.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, the Committee

on Public Health Engineering is an advisory committee to the Minister of National Health and Welfare and the minutes of their meetings are regarded as internal documents for use by the minister. For this reason it is regretted that the documents cannot be tabled. The hon. member for Hamilton West may therefore wish to withdraw his motion.

Mr. Alexander: Transfer for debate.

Mr. Speaker: Transferred for debate.

REPORTS RELATING TO USAGE OF MARIJUANA

Motion No. 179—**Mr. McIntosh:**

That an Order of the House do issue for a copy of all reports or other documents relating to tests or experiments conducted to date by or on order of the Department of National Health and Welfare on usage of marijuana.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, there is a long-standing tradition in scientific circles that publishing the results of research is the prerogative of the researcher, and not of the sponsoring agency. For this reason, and as a matter of policy, the Department of National Health and Welfare does not make public the findings of research workers.

The hon. member for Swift Current-Maple Creek may wish to withdraw his motion.

Mr. G. W. Baldwin (Peace River): On my hon. friend's behalf, transfer for debate.

Mr. Speaker: Transferred for debate.

ORAL QUESTION PERIOD

LABOUR CONDITIONS

UNEMPLOYMENT—ASSISTANCE FOR THOSE WITHOUT INSURANCE BENEFITS—AID TO PROVINCES AND MUNICIPALITIES TO MEET WELFARE COSTS

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Labour a question. In view of the very alarming unemployment figures for the month of April and now that he has refused on behalf of the government to extend seasonal unemployment benefits, does he propose to recommend any measures to offer assistance to those who find themselves without unemployment insurance benefits? For example, does he propose to advance the effective date of the proposed changes in his new insurance legislation, some important items of which will not become effective until January 1, next?

Hon. Bryce Mackasey (Minister of Labour): The one feature which does not become effective until January 1 is the provision for universality. The one feature which does become effective as of July 1—and it is a provision to which the hon. gentleman has often expressed opposition—is easier eligibility. I hope that when the bill comes before the House the opposition will accept readily the proposal that a person should be entitled to unemployment insurance after eight weeks attachment to the labour force, not after 12 weeks or 16 weeks as the hon. gentleman has prescribed publicly on several occasions.

Mr. Stanfield: The minister's answer will not bring much comfort to those who are now waiting for such assistance. I should like to ask the Acting Prime Minister whether, in view of the figures for the month of April and the consequential increase in welfare burdens falling upon the provinces and the municipalities, the government of Canada is now prepared to review the adamant position it has taken in the past with regard to making further assistance available to provinces and municipalities? Is the government prepared to reopen this question with the provinces and municipalities so as to be of assistance to them and also to ensure that people in this country do not go hungry?

Hon. Mitchell Sharp (Acting Prime Minister): The government is now paying 50 per cent of welfare costs under the Canada Assistance Plan and does not contemplate changing this situation at the present time. I have no doubt representations will be made by the provinces and municipalities which, quite naturally, would like to have the general taxpayer rather than the local taxpayer bear a larger share of the burden.

Mr. Stanfield: Will the Acting Prime Minister not agree that when the government accepts the responsibility for slowing down the economy, thereby creating additional unemployment and adding to the welfare burdens of the municipalities and provinces, it is proper that it should follow through by bearing an increased proportion of the heavier burdens imposed upon the other levels of government rather than simply telling the provinces to control their own expenditures?

Mr. Speaker: Order. That is obviously not a supplementary question. It is an argument.

UNEMPLOYMENT—NUMBER OF PERSONS RECEIVING INSURANCE BENEFITS

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a supplementary question to the Minister of Labour. The minister has mentioned the fact that some 200,000 persons are in receipt of seasonal unemployment insurance benefits. Can he tell the House how many persons are in receipt of unemployment insurance benefits on the latest date for which figures are available?

Hon. Bryce Mackasey (Minister of Labour): The latest date for which figures are available, according to the Bureau of Statistics, is the end of March. Possibly by the end of the question period I can answer more factually the question which the hon. member has put to me. I will try to do so in the next 15 minutes.

Inquiries of the Ministry

UNEMPLOYMENT—NUMBER OF PERSONS SEEKING WORK

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Manpower and Immigration. Can he give us the figures from his department and tell us how many persons are registered as being out of work and seeking employment?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I do not have the latest figures with me but, as the hon. member knows, I can supply them to him whenever he wishes as I did for a previous month. I will be glad to do so again.

* * *

MANPOWER

INTENTION RESPECTING ADULT RETRAINING PROGRAM

Mr. Louis-Roland Comeau (South Western Nova): I have a question for the Minister of Manpower and Immigration. In view of the fact that, as I understand the position, those attending retraining courses are not counted in the unemployment figures, would the minister be prepared to make a statement on motions with respect to his intentions in connection with the adult retraining program over the next decade, let us say?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I will consider an appropriate time for making such a statement on motions, Mr. Speaker. Of course, the number of people taking retraining programs is an important factor in the labour force, but the number under training this year compared with last year is not significantly different.

Mr. Comeau: Does the announced 15 per cent reduction in federal grants for training courses constitute an admission of failure by the government?

Mr. Speaker: Order, please.

* * *

UNEMPLOYMENT INSURANCE

NUMBER OF PERSONS RECEIVING SEASONAL BENEFITS

Mr. Edward Broadbent (Oshawa-Whitby): Would the Minister of Labour take the time to clarify or correct his statement that there has been no increase in the number receiving seasonal unemployment insurance benefits this year, because according to the Bureau of Statistics there has been an increase of approximately 30 per cent?

Hon. Bryce Mackasey (Minister of Labour): I said in my statement, and it was not necessarily in the prepared text, that the number of people receiving benefits on the latest date for which figures are available, May 15, was 200,000. I also indicated that this compared with 180,000 at the same time last year. When correcting statistics perhaps the hon. member might inform the House that the figures he used were applicable for the month of February, while the figures I used were for the month of May.

[Mr. Mackasey.]

[*Translation*]

MANPOWER

SUGGESTED MEETING WITH QUEBEC MINISTER OF LABOUR TO DETERMINE JURISDICTION

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to put a supplementary question to the Minister of Manpower and Immigration.

Since the Quebec Labour Minister stated that he would like to have jurisdiction over manpower in Quebec, would the minister be prepared to meet with him as soon as possible to decide on the sharing of responsibilities and would he make a statement in that regard soon?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): There have been conversations between the minister in Quebec and myself and I expect there will be further conversations. I think there is no doubt about our position that the important economic aspects of manpower and the mobility of manpower are of vital concern to the federal government and fall clearly within our jurisdiction.

* * *

THE CANADIAN ECONOMY

STATEMENT BY CHAIRMAN OF PRICES AND INCOMES COMMISSION THAT INFLATION REMAINS NO. 1 ENEMY—GOVERNMENT POLICY

Mr. David Lewis (York South): I wish to direct a question to the Minister of Finance arising out of a recent statement by the chairman of the Prices and Incomes Commission to the effect that inflation remains Canada's No. 1 economic enemy. I should like to ask the minister whether this is also his and the government's position at this time and, if so, whether this means that the government intends to continue pursuing gradual measures for economic recovery.

Hon. E. J. Benson (Minister of Finance): First of all, I have not seen the statement made by the chairman of the Prices and Incomes Commission. In answer to the second part of the question, the government's policy for over a year has been very expansionary in both the fiscal and monetary fields.

Mr. Lewis: Mr. Speaker, in view of the fact the minister has emphasized on a number of occasions that one has to go somewhat slow in order to avoid inflationary pressures, will he inform the House and the country whether it is the government's policy to hasten measures to attain economic recovery, or does he intend to continue the same gradual policies he has pursued up to now?

Mr. Benson: Mr. Speaker, the government intends to move as fast as possible toward full employment in Canada with relative price stability.

Mr. Lewis: I have a further supplementary question.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for York South on another supplementary question and then the hon. member for Prince Edward-Hastings, but I think in fairness the Chair should then recognize the hon. member for Champlain.

Mr. Lewis: Mr. Speaker, my supplementary question arises out of the answer the minister has just given. As I understood him he said that the government would pursue policies for economic recovery and price stability, or words to that effect. I should like to ask him whether his studies and the studies of his advisers have indicated that in order to attain what he calls price stability, economic recovery must not be permitted to take place quickly so that unemployment in this country might be reduced to a bearable level, say this year?

Mr. Benson: Mr. Speaker, the studies that we have carried out indicate that the type of stimulus we have been giving to the economy is having an effect on the economy—

An hon. Member: It sure is.

Mr. Benson: —and will continue to have an effect on the economy, and that we will move to the full, normal capacity of operation of the economy with, hopefully, reasonable price stability.

PRICES AND INCOMES COMMISSION PROGRAMS TO COMBAT INFLATION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question for the Acting Prime Minister. In view of the statement made by the chairman of the Prices and Incomes Commission to the effect that inflation is the country's No. 1 economic enemy, will he confer with the chairman of that commission and at the first opportunity report to the House on motions on what programs the commission intends to follow in order to combat what the chairman has described as the No. 1 economic enemy?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I should like to say I am surprised that anyone on the other side should be advocating inflationary policies, which seems to be the purpose of all these questions. I can think of nothing more likely to harm employment in this country than inflationary policies, and this government will resist them and will follow sound expansionary policies, which is what the country needs.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Obviously this debate could be pursued for the whole question period. I suggest to hon. members that if we have time to return to this very interesting debate later we might do so. At the moment the Chair recognizes the hon. member for Champlain.

Inquiries of the Ministry

[*Translation*]

CANADIAN BROADCASTING CORPORATION

DECISION OF CRTC RESPECTING EXTENSION OF FRENCH NETWORK IN NEW BRUNSWICK

Mr. René Matte (Champlain): Mr. Speaker, I wish to address a question to the Secretary of State.

Has he, or does he expect to, intervene concerning the CRTC decision following the request by the government of New Brunswick to extend the French network in this province?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, the Secretary of State has not intervened in this connection. However, he is studying the matter because many representations have been made by the people of New Brunswick. At the present time I am having discussions with the CRTC whose decision seems to have been given a wrong interpretation by some people in New Brunswick, unless it is the latter's protests that were interpreted incorrectly.

For the time being, there is some confusion which we are trying to clear up and I will be pleased to inform the House as soon as we have been able to straighten out the situation.

Mr. Matte: Mr. Speaker, a supplementary to the minister. Does he feel the extension of the network necessary?

Mr. Speaker: Order. The hon. member is asking the minister to express an opinion.

* * *

[*English*]

COMMUNICATIONS

BROADCASTING, CABLEVISION—DISCUSSION AT JUNE FEDERAL-PROVINCIAL CONFERENCE

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is also directed to the Secretary of State. As this whole problem of broadcasting and communications, let alone cable television, has bubbled onto the scene in the last two or three months, has the minister today or yesterday recommended to his colleagues in the cabinet, particularly the Prime Minister who may be in Moscow, that this matter be placed on the agenda of the June conference of the provincial premiers and the Prime Minister in order that some of these problems can be clarified?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I believe I answered that question last week, Mr. Speaker. I feel that it does not behove the Secretary of State to make a recommendation in that respect. We told the provincial authorities we were willing to discuss the matter with them or their representatives, even before the June conference. As for the agenda of the conference, I under-

stand it has already been drawn up; only at the request of the premiers themselves could the Victoria conference agenda be changed or a new item added to it; the federal government is not the boss.

[*English*]

Mr. Nowlan: Mr. Speaker, my supplementary is directed to the Acting Prime Minister. In view of his answer yesterday that officials of the federal government were discussing the agenda with provincial officials, can he tell us what these officials are discussing?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, they are discussing reform of the constitution.

* * *

EXTERNAL AFFAIRS

REPRESENTATIONS BY PRIME MINISTER RESPECTING FREE VOTE FOR PEOPLE UNDER RUSSIAN DOMINATION—EXCHANGE OF CONSULS BETWEEN CANADA AND KIEV

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, as we do not seem to get any answers from the government regarding domestic problems, may I turn to foreign affairs and ask the Secretary of State for External Affairs whether the Prime Minister while he is in Moscow will suggest to the government of the Kremlin the need for giving a free vote to the people of Esthonia, Latvia, Lithuania, the Ukraine and other captive peoples?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, before I go any further may I refer to one subject that may or not be related to foreign policy. I certainly think I should mention in the House the great victory of the Montreal Canadiens in the Stanley Cup finals.

Some hon. Members: Hear, hear.

An hon. Member: That's the only applause you will get.

Mr. Sharp: May I say in answer to the specific question that the Prime Minister is taking advantage of his visit to the Soviet Union to discuss all those matters which are of concern to the Canadian people, and the matter referred to by the right hon. member is certainly one of them.

Mr. Diefenbaker: Mr. Speaker, I only hope that the government of Canada in this connection will take some lessons from the Canadiens as to how to act effectively from now on. I might say that the interpolation by the minister on a subject on which he knows nothing impelled me to make that observation.

My further question is this. The CBC in its effulgent description of what is happening in Moscow has not dealt with the matter referred to a moment ago, nor has it referred to another important question. Is the Prime Minister asking the Kremlin to permit an exchange of consul-general representatives between Canada and Kiev so that Canadians of Ukrainian origin may not be delayed several years, in many cases, in their applications to visit the old land, and in order that Ukrainians desiring to come to Canada will be permitted to do so, which is now virtually impossible?

Mr. Sharp: Mr. Speaker, I am not certain that the Prime Minister will be discussing this matter. It has been the subject of some discussion in the past. I do not know whether he will, considering the number of very urgent matters under discussion, raise it at this time, but certainly this matter has been under discussion between our two governments.

Mr. Diefenbaker: Mr. Speaker, may I ask the minister whether he considers a matter which affects hundreds of thousands of Canadians of Ukrainian descent as being unimportant compared to the generalities that are being discussed by the Prime Minister?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

NATO ACTION ON RUSSIAN INTIMATION CONCERNING BALANCED FORCE REDUCTIONS IN CENTRAL EUROPE

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is also directed to the Acting Prime Minister. In view of the importance to the security and peace of the world of balanced force reductions in central Europe, will the Canadian government at the next NATO meeting urge our NATO allies to take up seriously the intimation of Mr. Brezhnev that the USSR is willing to negotiate such reductions?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, may I say in reply that we are very pleased to see that after a long pause the Soviet Union is finally taking up the initiative of the NATO powers.

NATURE OF AGREEMENT SIGNED BY CANADA AND SOVIET UNION

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I wonder if I might pursue the question a little further at the risk of another prideful reply such as the one given me yesterday. I should like to ask the Acting Prime Minister whether he can shed some light on the nature of the particular agreement which either has been signed or is about to be signed today?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I was in communication with our mission in Moscow and I understand that today an agreement will be signed between the governments of the Soviet Union and Canada dealing with the subject of consultations.

Mr. Speaker: Order, please. I wonder whether the hon. member for Dartmouth-Halifax East might allow me to recognize the hon. member for Sainte-Marie. I appreciate that the matter with which he is dealing is important and I will return to him in a moment.

[*Translation*]

URBAN AFFAIRS

ESTABLISHMENT OF DEPARTMENT—DISCUSSION WITH PROVINCES

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, my question was for the minister in charge of housing but in his absence I shall put it to the Acting Prime Minister.

In view of his recent statements concerning possible establishment of a department of urban affairs, can the minister specify what the explicit functions of such a department are to be? Should it be only a service, what limits will be set for it, since this is a field of provincial jurisdiction?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I understand that, during the debate which has been taking place on the government reorganization bill, there has been a lengthy discussion of this subject and I doubt very much whether I should prolong it now. The government of Canada does recognize the limitations in this field and hence the policies it has been following which are having notable success at the moment.

[*Traduction*]

Mr. Valade: I wish to ask a supplementary question.

I inquired from the Acting Prime Minister because of the ambiguity of the statement made by the minister responsible for housing. Would the Acting Prime Minister tell us whether he intends to assure this House that the government will not decide on anything in this respect before having obtained the approval of the premiers at the Victoria conference?

[*English*]

Mr. Sharp: I am sorry, Mr. Speaker, could the hon. gentleman repeat his question? I am not quite sure I caught all the subtleties of it.

Mr. Valade: Mr. Speaker, perhaps I might repeat it in English for the Acting Prime Minister. Can the Acting Prime Minister give us the assurance that no decisions will be taken in this regard before the Victoria conference and before the Prime Ministers at the conference have had a chance to discuss and agree to this proposal by the government?

Mr. Sharp: Mr. Speaker, in its housing policies the government of Canada does act within federal jurisdiction. So far as I know there has been no change to the contrary. If there were, this is a matter which could be settled, so I do not think I should give this undertaking.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Dartmouth-Halifax East in a moment, but I suggest to hon. members that they might assist the Chair in relation to supplementaries because otherwise we will end up with many members being left with questions unasked, if not unanswered.

Inquiries of the Ministry

[*Later:*]

EXTERNAL AFFAIRS

NATURE OF AGREEMENT SIGNED BY CANADA AND SOVIET UNION—DISCUSSION OF MILITARY MATTERS

Mr. J. M. Forrestall (Dartmouth-Halifax East): With all deference, Mr. Speaker, I was attempting to assist the Chair by asking the question I wanted to ask previously by way of a supplementary. In light of the Acting Prime Minister's indication that the protocol or agreement will deal with consultations, can he assure the House that such consultations will not extend into the field of military or strategic matters?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would have hoped the hon. member would agree with me that the subject of disarmament is one that could fruitfully be discussed between our two governments.

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AIR TRANSPORT

INVESTIGATION OF CANADIAN AIRLINES' DOMESTIC OPERATING POLICIES

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I have a question for the Acting Prime Minister. Could he tell the House whether the government is considering setting up a form of special inquiry or royal commission to look into the operating policies of Canada's airlines in so far as their domestic operations are concerned in contrast to their foreign operations, and also the position of the regional air carriers within these policies and the actions of the Department of Transport?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. There is a Canadian Transport Board which can deal with these questions. I do not see any reason for establishing a royal commission.

Mr. Lambert (Edmonton West): In light of the particular interest expressed in the statements of the chairman of the Canadian Transport Commission vis-à-vis one of the air carriers, and his position in the past, surely the minister can think of something better than—

Mr. Speaker: Order, please.

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REGIONAL ECONOMIC EXPANSION

SASKATCHEWAN—GRANT FOR PULP MILL—POLLUTION CONTROL STANDARDS—SITE OF PROJECT

Mr. John Burton (Regina East): Mr. Speaker, my question is for the Minister of Fisheries and Forestry. In view of the fact that an industrial incentive offer for a pulp mill in Saskatchewan has been made conditional on the mill meeting all federal requirements in respect of pollution control and environmental protection, could the min-

ister indicate if these regulations or standards have been finalized, whether they have been made public and, if not, when they will be made public?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the standards have been developed in close consultation both with the provincial pollution boards and the pulp and paper industry across Canada. We hope they will be published in the near future. We have them in what we regard as final form and the Saskatchewan government is fully aware of the standards in their present form.

Mr. Burton: Mr. Speaker, I have a supplementary arising out of the statement by the Minister of Regional Economic Expansion before a committee of the House on Monday that the Department of Fisheries and Forestry had made a proposal to change the specific location of the pulp mill. Could the minister indicate whether his department's proposal has been adopted, and could he inform the House of the specific location of the proposed mill site?

Mr. Davis: Mr. Speaker, the site of the mill, and particularly the clean-up facilities, are matters which are receiving careful attention by the Department of Fisheries and Forestry here in Ottawa.

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FISHERIES

INTENTION RESPECTING SEASONAL INCOME SUPPORT PROGRAM FOR FISHERMEN

Mr. Walter C. Carter (St. John's West): Mr. Speaker, my question is directed to the Minister of Fisheries and Forestry. In light of the statement made by the minister to the effect that he will be unable to introduce a special unemployment insurance program for fishermen by the time the new Unemployment Insurance Act is approved, can he say what the specific intention of the government is in respect of fishermen?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, our intention is to let a full year run under the new unemployment insurance legislation so that the fishermen are fully aware of the benefits under that scheme, and then we will bring in an even better one.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a supplementary for the minister. In view of the fact that the minister has already said that the fishermen will not be removed from the provisions of the Unemployment Insurance Act until the seasonal income support program is acceptable to the fishermen, may I ask the minister what means he intends to use to determine that acceptability, what group will be consulted, and whether a plebiscite will be held or what other method he has in mind?

Mr. Davis: Mr. Speaker, as a point of clarification may I say I have never said that this scheme must be acceptable to the fishermen. It has, of course, to be acceptable to my colleagues in the government and also to Parliament.

[Mr. Burton.]

Mr. Douglas: Mr. Speaker, do I take it from the minister's reply that the government is now asking Parliament to give the government the right to take the fishermen out of the Unemployment Insurance Act without any assurance at all that they will be consulted concerning the kind of program they will come under when they are taken out of the unemployment insurance legislation?

Mr. Davis: Mr. Speaker, my understanding of the situation is that the fishermen will continue under the revised unemployment insurance legislation until such time as a better scheme comes along. We will certainly be consulting the fishermen in respect of the development of a better scheme to look after the long-term fluctuations in their income, closures as a result of mercury contamination, and so on.

Mr. Speaker: Order, please. A few moments ago I invited the co-operation of hon. members in respect of supplementaries. The hon. member for Nanaimo-Cowichan-The Islands has had two supplementaries. I will recognize the hon. member for Lisgar.

* * *

AGRICULTURE

REGULATION OF INTEREST-FREE LOANS BY MACHINERY COMPANIES TO FARMERS

Mr. Jack Murta (Lisgar): Mr. Speaker, I had intended to direct my question to the Minister of Consumer and Corporate Affairs, but in his absence I shall direct it to the Acting Prime Minister. Now that the Barber Commission report has been tabled and recommends some regulation of the indiscriminate use of interest-free loans by machinery companies, which according to the report eventually raises farm machinery prices to the farmer between 5 per cent and 7 per cent, I should like to ask the minister whether the government plans any legislation to regulate this practice?

Hon. Mitchell Sharp (Acting Prime Minister): The report of the Barber Commission has just been received and is under study. My colleague, the Minister of Consumer and Corporate Affairs, like others who are absent today, is out of town on government business. I will bring the question to his attention when he returns.

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YOUTH

OVERSEAS STUDENT EXCHANGE PROGRAM—APPLICATIONS RECEIVED AND APPROVED

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Minister of Manpower and Immigration following a question I asked earlier in the week about the overseas exchange program for students. He indicated that the program has been oversubscribed in terms of applications, but he was unable to tell me how many positions have actually been filled. Can the minister now give that information?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I do have with me a fairly lengthy table in reply to the question. I said it had been oversubscribed with regard to most countries. The answer is rather lengthy. I might suggest, if there is general agreement, that it be printed in *Hansard* as though read.

Mr. Speaker: This is a rather unusual procedure. Perhaps the answer might be tabled by the minister. The information would then be available to the Leader of the Opposition and to other members in this way.

Mr. Stanfield: I am quite prepared to go along with the suggestion of the minister, although I asked a perfectly straightforward question which could have been answered in a simple way.

[*Later:*]

Mr. Stanfield: Mr. Speaker, I rise on a point of order. Did the minister table the information or did he not?

Mr. Speaker: I believe there was agreement that the document referred to by the minister be tabled.

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POLLUTION

LAKE HURON BEACHES—DETECTION OF SHIPS DUMPING OIL

Mr. Jack Cullen (Sarnia-Lambton): I have a question for the Minister of Transport. In view of the fact that Lake Huron beaches have once again been polluted by oil dumped with bilge water from ships using the seaway, I should like to ask the minister whether this area is being patrolled or policed in an attempt to detect ships that are guilty of this practice?

Hon. Donald C. Jamieson (Minister of Transport): Yes, patrols of the type to which the hon. member refers have been carried out and are constantly carried out in that area both by Canadian vessels and also in conjunction with the United States coastguard.

Mr. Cullen: Have any ships been detected yet in the area which is being patrolled by both governments?

Mr. Jamieson: Very large numbers over the last couple of years, but I do not know of any in the current season which is only a couple of weeks old.

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FINANCE

SUGGESTED INCLUSION OF MORATORIUM ON REPAYMENT OF FARM LOANS IN BUDGET

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question for the Minister of Finance. In view of the continuing shortfall of agricultural income and its serious effects on our whole economy, can the minister

indicate whether in his June budget he is prepared to declare a one-year moratorium on the repayment of farm improvement loans, Farm Credit Corporation loans and farm syndicate loans?

Hon. E. J. Benson (Minister of Finance): I think it would be quite improper for me to indicate what will be in the June budget.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—PROCESSING OF ALL APPLICATIONS BY DEADLINE

Mr. Lorne Nystrom (Yorkton-Melville): I have a question for the Secretary of State. Since May 25, which is next Tuesday, is the deadline for the Opportunities for Youth program, can the minister assure the House that all applications will be processed by that time?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I gave an answer to that question last week, Mr. Speaker, when I said that we were doing everything in our power to observe this deadline but that we might have to ask for two or three days of grace.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—RULES FOR OPERATION OF HOSTELS—MEDICAL FACILITIES

Mr. David MacDonald (Egmont): I have a supplementary question for the Secretary of State. Since there have been reports that the kiosks and hostels established under the transient youth program may become centres for traffic in drugs or, at the very least, centres for their frequent use, can the minister inform the House whether there will be any house rules with regard to the hostels and whether any proper medical facilities will be made available for individuals who may be suffering from infections or other problems related to the use and abuse of drugs?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Yes, Mr. Speaker, these rules have been established already and were made known to all those who have proposed as a project to set up youth hostels. The requirements that we laid down included those which the hon. member for Egmont has just mentioned.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—ISSUING OF RELEASES IN BOTH OFFICIAL LANGUAGES

Mr. Ambrose Hubert Peddle (Grand Falls-White Bay-Labrador): My question is supplementary to the previous question to the Secretary of State. Since the minister is supposed to be one of the more enthusiastic proponents of bilingualism, would he agree to re-issue his four

recent releases regarding approved projects under the Opportunities for Youth program in both languages and would he agree to have future releases of approved projects prepared in at least the two official languages so that unilingual Members of Parliament and unilingual Canadians may be able to read about the many varied and interesting projects under this program in all parts of Canada?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I do not know which list exactly the hon. member has in mind, Mr. Speaker, but I shall gladly inquire about this. However, I must warn him that a number of project titles made up by young people are just as untranslatable from French into English as from English to French. For instance, "Fun '71".

* * *

[*English*]

IMMIGRATION

OPPORTUNITY FOR ALL PROVINCES TO STATION ORIENTATION OFFICERS IN FEDERAL OFFICES ABROAD

Mr. William Skoreyko (Edmonton East): My question is directed to the Minister of Manpower and Immigration. It has to do with the press release yesterday which indicated that the Quebec government may place orientation officers in federal immigration offices abroad. I should like to ask the minister whether the same courtesy or opportunity will be afforded the other provinces?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Yes, Mr. Speaker, it may be understood that other provinces would be given the same opportunity.

[*Translation*]

DUTIES OF QUEBEC ORIENTATION OFFICIALS IN FEDERAL OFFICES ABROAD

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Immigration; I wonder if the minister could tell us whether the Quebec orientation officer will be taken on strength by the federal immigration services abroad and whether he will be permitted to promote immigration to Quebec on cultural and language grounds of francophones seeking immigration in that province or if his responsibilities will merely be those of an office clerk?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): The purpose of placing Quebec orientation officers in immigration offices abroad is to begin the orientation program which is quite customary in many provinces of this country and is ordinarily done after an immigrant comes here. In this it was thought advantageous to begin the program at an earlier stage when the future immigrant is still in the country of his origin.

Mr. Speaker: Order, please. I must bring to the attention of hon. members that exactly two minutes are left before the end of the question period and there are still two or three supplementary questions. If we allow all these supplementary questions to be asked, we will of course have no other questions considered.

Mr. James A. McGrath: (St. John's East): My question is for the Minister of Manpower and Immigration, and I should like to paraphrase a report of his statement by the press. If counselling service was adequate in the immigration offices and if, as the minister stated, the present immigration service could adequately cope with the situation, why then did he find it necessary to enter into this agreement with the province of Quebec?

Mr. Speaker: Order, please. This is argument.

[*Later:*]

REASON FOR AGREEMENT WITH QUEBEC ON STATIONING PROVINCIAL OFFICIALS IN FEDERAL OFFICES ABROAD

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary question for the Minister of Manpower and Immigration. Since Ontario has had an immigration office in England and in other parts of the world for some time, why was it necessary to have a formal protocol or treaty between the province of Quebec and the federal government in this case?

Hon. Otto E. Lang (Minister of Manpower and Immigration): The agreement which was signed was simply that, an agreement, and it was necessary because the particular officers involved in the agreement were going to be housed abroad in the immigration offices of the Department of Manpower and Immigration, whereas in the other cases, so far as I know, the people are housed in separate provincial offices.

* * *

ROYAL CANADIAN MOUNTED POLICE

USE OF RADIO BANDS FOR TRANSMISSION OF LISTENING DEVICE SIGNALS

Mr. Mark Rose (Fraser Valley West): I wish to ask the Secretary of State a question concerning electronic eavesdropping which was referred to yesterday. Can the Secretary of State say whether or not, in view of his responsibility for communications, any specific frequency bands have been set aside for police or other persons using such listening devices?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am unable to answer the hon. member right away, Mr. Speaker, but I will get this information for him.

[*English*]

PUBLIC SERVICE

GOVERNMENT INTENTION RESPECTING CLYNE COMMITTEE REPORT

Mr. Rod Thomson (Battleford-Kindersley): My question is for the President of the Treasury Board. In view of a statement by Mr. Barnes, head of one of the civil service bargaining units, that acceptance of the recommendations of the Clyne report will set the bargaining process in the civil service back 40 years, will the minister say whether it is the intention of the government to accept and proceed with the recommendations of the Clyne report?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I heard the remarks of Mr. Barnes on television. I must say I was rather surprised to hear that he claimed the government had accepted in principle the recommendations of the Clyne report, which is quite true, that he was apparently unaware the Prime Minister made the following statement in the House:

> The advisory group recommends that the managerial group excluded from collective bargaining should be more clearly identified and enlarged, and the government is prepared to have this matter studied further in conjunction with the review of legislation affecting collective bargaining.

Mr. Speaker: Order, please.

* * *

[*Translation*]

IMMIGRATION

STATIONING OF QUEBEC ORIENTATION OFFICIALS IN FEDERAL OFFICES ABROAD

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to put a question to the Minister of Manpower and Immigration.

Is the minister in a position to state whether the government of Quebec has officially requested the appointment of a recruiting or orientation officer in federal immigration offices abroad?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the selection procedures and so on will still be fully the obligation of the immigration officers of the Department of Immigration, and the role of the immigration personnel from Quebec will begin when selection is completed and when it is known an immigrant is destined for the province of Quebec.

Mr. Speaker: The hon. member for Annapolis Valley on a supplementary.

REASON FOR AGREEMENT WITH QUEBEC ON STATIONING PROVINCIAL OFFICIALS IN FEDERAL OFFICES ABROAD

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I appreciate that I may be trespassing on the time available to other hon. members for supplementaries, but since one of the independent members was recognized twice I am glad to have been recognized thrice. My question is

directed to the Acting Prime Minister. Since he has had long experience in external affairs, may I ask him if it is customary for the federal government and a province to sign a protocol or treaty, which implies a sovereign status for the province? Is this not a change in the federal attitude toward one Canada and other types of Canada?

Mr. Speaker: Order, please. Perhaps this question might be answered briefly, but the question period expired about a minute ago.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would just like to deny that there was any such purpose in the agreement we signed with the province of Quebec. As the Minister of Manpower and Immigration has said, this is purely for the purpose of facilitating the work of the Quebec immigration department which, under the constitution of Canada, is perfectly proper.

Mr. Speaker: Order, please. The hon. member for Charlevoix is seeking the floor on a supplementary. I apologize to him, and particularly to the hon. member for Humber-St. George's-St. Barbe, but I hope with the consent of the House that the latter might be allowed to ask a question. I realize that, he being in the last row, it is difficult to reach him. I tried to do so today. The hon. member missed out during the last question period, and with the consent of the House the Chair would now like to recognize the hon. member.

Mr. Marshall: Mr. Speaker, I appreciate your concern but I shall wait until tomorrow. My question was intended for the Minister of National Health and Welfare, but the Acting Prime Minister opened up the subject of the NHL so I will wait until tomorrow.

Mr. Speaker: Orders of the day.

Mr. Simpson: Mr. Speaker, I rise on a question of privilege respecting the rights and privileges of all Canadians living in the smaller communities of Canada. The question of privilege arises as the result of an information bulletin which I understand has been sent to householders across Canada outlining procedures in the 1971 census. The bulletin endeavours to assure Canadians that their answers to all questions will be treated with the strictest secrecy and will only be used by the Dominion Bureau of Statistics for statistical purposes.

However, it indicates an unacceptable degree of discrimination against those living in the smaller communities because it says quite clearly that people living in the major urban areas will be supplied with self-addressed envelopes in which they will deposit their census returns for mailing to DBS, but anyone living in other than a major urban area will be required to return the census form to the local enumerator, and it will then be perused by either the enumerator or the census commissioner. I think the minister should look into this situation, give the House an explanation, and assure the people living in smaller communities that their rights and privileges will be respected.

Mr. Speaker: The matter raised by the hon. member may be one of importance, and he has suggested that it might be looked into by the minister, but certainly it is not a question of privilege by any means. Perhaps the people living in smaller communities might have a question of privilege, but not the hon. member. I think he might have had a legitimate question to ask during the question period but as the question period has expired it cannot be pursued at this time.

Orders of the day.

• (3:30 p.m.)

GOVERNMENT ORDERS

NATIONAL SECURITY

APPOINTMENT OF SPECIAL JOINT COMMITTEE ON LEGISLATION TO DEAL WITH EMERGENCIES CAUSED BY LAWLESSNESS OR VIOLENCE

The House resumed, from Thursday, May 13, consideration of the motion of Mr. Turner (Ottawa-Carleton) (for the President of the Privy Council):

That a Special Joint Committee of the Senate and House of Commons be appointed to examine, inquire into and report upon the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future by reason of lawlessness or violence in Canadian society and that endanger the existence of government or the maintenance of the peace and public order;

That twelve members of the House of Commons, to be designated by the House at a later date, be members of the joint committee on the part of this House;

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

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

And that a Message be sent to the Senate to acquaint Their Honours thereof.

And on the amendment thereto of Mr. Woolliams (p. 5795)

Mr. David MacDonald (Egmont): Mr. Speaker, on rising to speak on the motion and the amendment before us this afternoon, I feel that the discussion which might follow this afternoon and on other days might be effectively shortened if the Minister of Justice (Mr. Turner) would indicate in more clear and precise terms than he did last Thursday what in fact the government is willing to accept by way of terms of reference for this joint parliamentary committee which is to be established. If indeed the Minister of Justice, speaking on behalf of his colleagues, can indicate that the government is prepared to accept the reasonable amendment put forward by the hon. member for Calgary North (Mr. Woolliams), then I think that we could very effectively and efficiently move on to discuss other business in the House. I would be quite willing to yield the floor at this point to the Minister of Justice if he would indicate an acceptance of the amendment.

[Mr. Simpson.]

Mr. Turner (Ottawa-Carleton): I will wait until you end your speech.

Mr. MacDonald (Egmont): The minister says he will wait until the end of my speech. That is very charitable of him. He expects that I have something worthwhile to add to the debate and I appreciate that. Quite frankly, one of the difficulties we are faced with this afternoon, and one of the difficulties that created the amendment proposed last Thursday, is the fact that we are asked to accept a task, to answer certain basic questions, without having clearly defined for us the nature of the problem.

If the events of the October crisis can only be responded to at this distance in time, some half a year later, by the suggestion that we need new kinds of legislation to deal with lawlessness and violence, surely that proposal coming from the government represents a poverty of thought. Perhaps, Mr. Speaker, it indicates the degree to which the government has now become very unsure of the wisdom of the position it took last fall, and is unwilling at this point to go any further than to say let us have a parliamentary committee to bring in some kind of law that is not quite as nasty as the War Measures Act.

We were told as recently as last Sunday evening by the Prime Minister (Mr. Trudeau) that, while the government does not want to suggest to the committee what it would like to see in terms of proposed legislation, the Prime Minister did suggest on this same television program that there were gaps in the law which must be filled. He said, in effect, "We have various alternatives for filling these gaps but we want Members of Parliament and the country at large to discuss this thing very freely." What does the Prime Minister mean by that? Is this to be a parliamentary game of blindman's buff in which the members of the committee try and discern what it is the government really has in mind, or are we invited to participate in some kind of shadow boxing exercise over one of the gravest events that has occurred in this country in recent times? Surely, neither the Prime Minister nor the Minister of Justice can be that childish about an event of such major significance that they would play this kind of game with Members of Parliament and with the public.

Indeed, the position of members of this chamber may be worse than that, Mr. Speaker, because, along with the proposal for establishing this committee, it is suggested by the government that if the committee does not do its job properly or if a crisis occurs such as the one last fall—we have never really been told exactly what that means though we have been given various renditions of what it means—the government will not shrink from responding in a similar fashion. The Prime Minister (Mr. Trudeau), on last Sunday's program "Weekend", said:

—if a new crisis like the October one breaks out, then we will introduce special laws very quickly—

We have not told what they might be, whether they will be a return to the public order bill or some other legislation. He continued:

—and if the violence is of such a nature that special laws are bogged down in such a way that we cannot meet the crisis, we will resort again to the War Measures Act. There's

no ambiguity on that, and if people don't feel protected, let me just tell them that we will do as well in the future as we did in October—

One can almost imagine some of the Hallelujah choruses coming out of the background at that point. What we have here is some form of parliamentary blackmail. If the members of this chamber do not get on with the job, then the government implies they have the muscle, they have the tools to do the job and are prepared to go to bat again as they did last fall.

For those who are concerned about the present situation, as is the Premier of Quebec, both the Prime Minister and the Minister of Justice (Mr. Turner) have tried to offer comfort by saying, "Of course, we still have the Criminal Code and we can still act under such sections as seditious conspiracy; we can certainly deal with people who would have the aims and approaches of those active in the FLQ." I really admire the intestinal fortitude of anybody who can make that statement now, in the month of May, when last October they were telling us how important it was to have other repressive laws to do the job. That kind of double thinking, however, does not seem to bother the members of this government to any degree.

In all the discussions that have surrounded the events of last October, both in this chamber and in the country, one of the real problems has been how to get at the basic issues. I suppose it is always the case that when a country's emotions are engaged, when it is faced with an event that its leaders describe as an insurrection and a crisis and when there is talk of revolutionary activity, then the people are inclined to respond to the most emotional aspects of the events. But surely one of the benefits of looking back with sober second thoughts at the events of last fall is that we can go to the heart of the basic issues, that we can ask basic questions, that we do not have to be mislead by requests for laws to cover events that we cannot look at. How can we frame laws in such a way that they will be appropriate for future situations which nobody has described? If the government feels itself caught in that trap, I believe that there are many reasonable and intelligent people in the country and in this Parliament who do not feel caught.

There are three main issues, Mr. Speaker, which I contend must be looked at soberly and rationally. I want to speak about these this afternoon because they should form the background for any committee activity if that committee is going to be responsible in the face of a crisis such as that of last fall and the actions of the government last fall.

The first is the issue of violence. For most people, this is where the discussion usually starts and ends because violence is such an irrational act, because violence is so unpredictable and because it so often dramatic and final. It has a kind of magnetic quality. It is no wonder that the written, visual and oral press give so much attention to violence. We sometimes accuse the press of paying too much attention to it, but I think any thoughtful pressman would reply that they pay attention to violence because people are fascinated by it. I do not know whether it is true to suggest, as many people have, that we live in a violent age—maybe it is just reported more extensively and effectively.

There is no doubt that our society, like most, is troubled by violence from time to time. In its preoccupation and concern with the violence of last October, the government has suggested that there are gaps in the law, that we really do not have the proper instruments in law to deal with violence, that when there is lawlessness and a government is endangered through violence we do not seem to have the appropriate means to combat it. Surely, the government has fallen into the classic trap of immediately jumping to consequences before examining the causes, Mr. Speaker. It might be suggested at this point, I suppose, that if someone is running down the street firing a machine gun one does not resort to a study to determine the cause of such irrational behaviour. Of course, this is true but if some violent event has occurred in the past in a variety of ways, and one has tried to deal with it on the short term, surely there then comes a time when it must be dealt with on the long term. Surely, if we now have this moment to reflect without the pressure of immediate events of a violent nature, one of the first questions to ask is what the roots of violence are and what the causes of violence are.

It has often been suggested in this chamber that the causes of violence in our society today are social and economic inequality. Last fall a number of people suggested that the very serious economic situation in the province of Quebec could well have formed the social fabric out of which arose the acts of violence associated with the FLQ. Last Sunday evening the Prime Minister suggested that there are other parts of the country where there has been exceptionally high unemployment. He referred to the Maritimes, the area that I know best, and he said that there has not been the same kind of violence there. There is some measure of truth in this, but only some because often the very fact of high unemployment merely represents a deeper malaise. I do not think it takes a very acute observer to realize that there have been some long term problems and social discontent in the province of Quebec. Those who have read some of the current literature emanating from Quebec realize the depth of agony and alienation that exists for far too many people in that province.

• (3:40 p.m.)

I am frankly shocked and surprised that the Prime Minister of this country, whose home is in that province, should so often give the impression that his first answer for some of these underlying causes of social discontent and violence is to face them only from the standpoint of repressive and restrictive laws. This seems to me to be almost a council of despair in which we are going to settle for a kind of heavy handed response to the most glaring facets of discontent in a part of this country rather than to root out those elements that give rise to alienation, to agony and to violence. If this government is not willing to engage itself in that area then, surely, it does not deserve to govern and to deal responsibly with the situation.

Secondly, in looking at the question of violence we must be prepared to ask this question: how can violence be prevented? It can be prevented, as I suggested, by going to the root of the long term and general ailments afflicting us, because those ailments alienate parts of society from communities in which they exist. The government itself said that shortly after the kidnappings there seemed to be a deterioration in the will of the people. Have we ever tried to ask why there was this deterioration in the will of the people?

First of all, is it true that there was this deterioration; and, if it is true, what caused it? Was their commitment to democratic institutions so slight and fragile as to collapse at the slightest pressure? I will say more later on about the fragility of our democracy. Why was there such a ready loss of will, if there was such a loss? We ought to attempt to deal with that serious question because, although the War Measures Act was proclaimed and although the Public Order (Temporary Measures) Act was enacted, we have not solved the problem. I do not think that any member of the House, including the Prime Minister or the Minister of Justice will suggest that we have solved it.

Speaking on the specific question of how violence can be prevented, I find it passing strange that a minister of this government such as the Secretary of State (Mr. Pelletier) who has put some of his thoughts on record in his book, should be so little concerned to justify what was done last fall. Although he has been here almost six years, he has had little to say about a problem that has existed in Quebec for the better part of the last decade. Indeed, in his book the Secretary of State suggested that the government had to invoke the War Measures Act at that particular time because it knew that if it did not respond to that threat there would be another, and another after that. Surely, the government was not surprised at events? It had known about the existence of certain organized violence for the last seven or eight years. As we have heard again and again in this House, there was literally no response on the part of the government.

Speaking on the question of the roots of violence, may I say that if the government was concerned because there were basic gaps in the law, it ought to have said specifically what kind of legislation would be enacted to fill those gaps. It was humbug for the Prime Minister to suggest the other night that the government did not want in any way to predetermine what the committee would do. If this is the government's new *modus operandi*, one can assume that there will be general references to other bodies whenever it is necessary to do something important. The government will not attempt to bring legislation before the House without referring it first to a committee for study and consideration. It will say, "There is a problem in such and such an area." It might say, to be more specific, "There is a problem in foreign affairs on a certain question, or there is a problem regarding regional development in a certain area. Tell us what to do. Recommend some laws that we can enact in future."

Some hon. Members: Oh, oh.

[Mr. MacDonald (Egmont).]

Mr. MacDonald (Egmont): That would be foolish, would it not?

An hon. Member: It would be.

Mr. MacDonald (Egmont): The government is being equally foolish now by saying, on the one hand, that it will not predetermine what the committee will do and, on the other hand, by admitting that there are certain gaps in the law which need to be filled. When we want to know what laws will be introduced to fill the gaps, we are told that we must wait to find out.

The second main issue that occurs to me, and that is of basic importance with respect to events of last fall is this: Deliberate confusion was created and there was a blurring of some important aspects of the events that took place. If one thing disturbed me more than anything else last fall, it was the fact the government deliberately confused the distinction between political ideas and criminal activity. That was not done inadvertently by one minister on one occasion, but was done on a number of occasions by various ministers. The Minister of Regional Economic Expansion (Mr. Marchand) made the point that the kind of sweeping action taken by the government would certainly deal a death blow to separatism. The implication was that there was strong support for the invoking of the War Measures Act because some people wanted to get rid, by that means, of this difficult question of separatism. It was thought that that kind of strong action on the part of the government would really show the country how serious we were about that situation.

By deliberately blurring the issue and confusing people, by implying that we would give the separatists a rough time through the kind of heavy handed response that was made, the government showed a kind of intolerance that is a long, long way from anything that we have known in this country. Furthermore, that kind of intolerance is not in the traditions of this country. One of the things that makes Canada unique in my estimation is that despite problems we have encountered during the 100 years of our history, we have been able to sit down and discuss these problems fact to face. Sometimes the discussions have been long and difficult and sometimes the results have not been totally satisfactory. Nevertheless, we have always felt a great measure of respect for each other and for our differences.

Last fall the government showed the kind of intolerance that suggested that when people espouse certain political ideas, the government will not hesitate to utilize its own form of reaction and repression. There might, therefore, even be a kind of state induced violence. Through its overwhelming actions last fall, the government told the separatists what it is prepared to do and how it is prepared to respond to one political front.

I wonder if our fellow Canadians have thought about the implications of that for other parts of the country. What if the people of western Canada should espouse some form of western separatism, as has been suggested on more than one occasion?

Mr. Francis: How? By the use of terror?

Mr. MacDonald (Egmont): Say the three Maritime provinces decide they want to form a union? Would the government, by intimation, suggest that it might use some form of unilateral and repressive action in that situation? Perhaps it would wait until one or two individuals from that area who are not in the mainstream, perhaps, were willing to resort to criminal activity or terror. Would the government then respond and justify its actions on the ground that it is dealing with these specific events while, at the same time, dealing with the over-all problem of political differences? That is not in our tradition, Mr. Speaker. Quite obviously, if that should become part of our tradition, that tradition will be a most dangerous and degrading one. Are we to move away from our traditional posture of public tolerance to one of intolerance? In the field of the espousing of various political ideas, are we to move from tolerance to repression? Will we lose in some measure our right to dissent?

• (3:50 p.m.)

Not too long after the events of last October, the Prime Minister suggested in a television interview that one of the positive things that had happened was that he had polarized the situation. That is polarization all right, but not the kind of polarization one can associate with a democratic country. For all of this, surely there is the question of the government's own perception of social unrest, apprehended insurrections, crises, or call them what you will, and its responsibility to these people. At what point does the government decide it has the right to unilaterally suspend and suppress traditional freedoms, rights and judicial procedures? It has not been clearly defined at what point this must occur. To date, the government has been noticeably reluctant to openly engage in a discussion on that basic question.

There is a third main area that certainly must be examined by any committee that is to do its job responsibly. That is the question of the relationship between civil liberties and public order. Last Thursday, the Minister of Justice referred to this when he was speaking in the debate, because he wanted to point out the problems which seem to exist from time to time in a modern democratic state. When talking about the gaps in the law, he said:

> But, in eliminating those gaps, we must do everything that can be done to strike the proper balance between those sometimes conflicting and competing social goals of an orderly society on the one hand and of individual liberty on the other.

That statement has been made by a number of government apologists as a rationale for some time. In a kind of embarrassed way, the Prime Minister and others said "You know, we have a long history as active supporters of civil liberties in this country, but there comes a time when a difficult decision has to be made between maintaining some public order and allowing people to have individual liberties." As the Minister of Justice suggested, there is the tension, or what have you, between an orderly society and individual liberty. I hope people will look at that statement closely because it is a fraud. How can anyone think that there can be a genuine conflict between order in society and individual liberty? Surely, you cannot have one without the other. You cannot have any real sense of order in a society unless you have free men. If men are not free, that order rests totally on some kind of dictatorial suppression and enforcement. It is high time we stopped using these kinds of red herrings to distract from the main question.

Mr. Woolliams: And with mercury in them, too.

Mr. MacDonald (Egmont): Another oft quoted favourite comment is that democracy is a weak and fragile instrument. If people are not watched very closely and situations arise that are the least bit abnormal, the state must intervene in some massive way or all of the democratic apparatus and procedures will collapse in a moment. Perhaps the members of this government, beginning with the Prime Minister, really do not have very much faith in democracy. I believe at times the Prime Minister has written quite fulsomely on what little faith he really has in the democratic process. Perhaps he does not trust people to exercise their own judgment in a responsible and accountable way, but speaking as one member of this House, I have a good deal of faith in the democratic process of this country even if the government does not.

A government which so willingly acted in the middle of the night to set aside democratic procedures, remove bills of rights, habeas corpus, freedom of association and a whole series of regularly accepted democratic institutions, all because democracy was endangered, has surely endangered democracy itself. If there is anything worse than a danger to democracy, it is that there are those who, through their own abilities, are too weak to defend it. By its actions, the government has indicated that it may not be trusted to protect the regularly accepted procedures and systems of democracy.

If we have learned anything from the events of last fall, even though on many occasions they have been deliberately clouded and obscured, it is that certain basic rights and legal procedures in this country are not negotiable. Any government that wishes to act in the future as this government has acted in the past will have to offer a great deal more in substance and confidence to the people before Parliament allows itself to so willingly accept the actions that were placed before it in the middle of October last.

The committee that is being established could do a very important and useful job. The work of the committee could make a major contribution to many facets of life in this country. Quite frankly, I am amazed and I hope that when I am finished speaking the Minister of Justice will dispel some of my amazement and worry.

Mr. Turner (Ottawa-Carleton): That would be impossible.

Mr. MacDonald (Egmont): When the Minister of Justice spoke last Thursday on setting up this committee, he seemed totally inconsistent when referring to the background of the events of last fall.

Mr. Woolliams: Which is not unusual.

Mr. MacDonald (Egmont): At that point he seemed unwilling to allow any useful appraisal of the events of last fall. When the Prime Minister spoke over television last Sunday, he indicated that the events of last fall were the framework and basis for the sittings which would take place in this Parliamentary committee. Surely, any reasonable individual who has only thought briefly about the purpose of this Parliamentary committee would realize it would be an absolute necessity for this committee to examine the events of last fall.

It is impossible to proceed to the discussion of any kind of proposed legislation without first examining whether the legislation which was used was used in good faith and was really necessary. Surely, we have to learn that from the people who were chiefly involved in administering and executing this kind of legislation. The people of this country have a right now, at a time of relative peace, to a full statement of the facts in an objective form. The provinces, which may be faced with administering any new form of law in this regard, will wish to present their point of view.

Basically, and most important, the onus is on the government to prove the need for more repressive and more restrictive laws. It is not good enough for the Prime Minister and Minister of Justice to say "No, you cannot look at the events of last fall. We will not tell you what laws we have in mind. If you do not bring in a law and recommendation quickly, we still have the War Measures Act and other legislation at the ready." This is not the kind of atmosphere in which to proceed with the work of this important committee. The committee must get on with the job. The government ought to act responsibly by indicating its willingness to accept the amendment. Perhaps it should redraft the terms of reference in such a way as to enable the committee fully to satisfy the concern which is felt in the country. If this is done it may not be necessary to resort once again to a kind of response in an emergency which I believe in no way enobled Parliament or assisted the country.

• (4:00 p.m.)

Mr. Peters: Mr. Speaker, I rise on a question of privilege deriving from an incident which took place a few moments ago when our protective staff made the decision to throw a young lady out of the gallery. Apparently, persons visiting this Parliament, particularly students, are prevented from using the galleries if they are wearing shorts.

I have been observing, as I am sure have other hon. members, that there are much more brief costumes than shorts worn these days. Nevertheless, the decision has been made by someone that persons wearing shorts are not admitted into the galleries. I have no reason to discuss women's styles. I understand women can wear whatever they wish to wear. Everything is in order. Nothing is out of place any more. Shorts are permissible for evening wear as are other forms of attire. Last week a constituent from my riding was thrown out of the gallery with a great deal of publicity and I am sure her family were not in the least pleased about it.

I suggest that if we are to enforce this regulation concerning dress in the galleries we should at least supply the National Capital Commission and Members of Parliament with copies of these rules in order that visitors may be spared embarrassment. The type of dress objected to is worn on the street. It is perfectly acceptable in the high schools of our nation. Students do not realize that under our rules it is prohibited. I think they are offended by being thrown out, and if that is so, then I am offended on behalf of these constituents. In order to spare visitors this kind of publicity and embarrassment, I suggest the National Capital Commission, which helps Members of Parliament to conduct school tours, be supplied with information which could be passed on to students by the schools before they come here, outlining the regulations as to dress which apply in the galleries, restaurants and cafeteria.

Some hon. Members: Hear, hear!

Mr. Speaker: I thank the hon. member for Timiskaming for bringing this matter to the attention of the Chair and of other hon. members. I believe no new rule has been made. It is, rather, the style which has changed. There are new items of ladies' apparel which perhaps I should not refer to at this time. In any event, it appears it is this new style which causes some confusion as far as the application of the rules is concerned. The point is well taken. The Chair will discuss the matter with the Sergeant-at-Arms, who has the responsibility for applying the rules as to the style of dress to be worn in our galleries, and I am sure some kind of compromise can be reached which will prevent a recurrence of the unfortunate incidents to which the hon. member has just alluded.

Some hon. Members: Hear, hear!

Mr. Turner (Ottawa-Carleton): I do not want to become involved in the question of privilege, but I should like to assure the hon. member for Timiskaming that the young lady he mentioned is a great credit to him and to his constituency.

Mr. Peters: Perhaps that will help her with her family.

Hon. John N. Turner (Minister of Justice): Speaking to the amendment introduced by the hon. member for Calgary North (Mr. Woolliams), I regret to say that in our view the amendment is not designed for the purpose of ascertaining what the nation needs by way of additional legislation to deal with emergencies which may arise in the future but, rather, that it has been designed for the purpose of appraising, or adjudicating upon, what was done in the past.

Mr. Woolliams: That is not correct.

Mr. Turner (Ottawa-Carleton): I ask the House this question: would it not turn the proceedings of this com-

mittee into a partisan, political exercise, possibly acrimonious, more concerned about whether the government was justified in proclaiming the War Measures Act last October than with the vital and potentially crucial question which forms the basis of the government's motion, namely, to examine, inquire into and report upon the kind of legislation required to deal with emergencies which may arise in the future endangering the existence of government or the maintenance of the peace and public order?

As I have already said, the government proclaimed the War Measures Act reluctantly. The government does, and must, accept full responsibility for doing so. When the government determined to invoke the act it was convinced it was a proper, necessary and justifiable course of action. This is still the position of the government as far as the events of October are concerned. In the last analysis, the government will have to answer for the exercise of that judgment to the electorate of Canada. The government recognizes this, and accepts it.

One of the things which has disturbed me, listening to the speeches of hon. members opposite on this motion and on the amendment is this: as I listened, I kept asking myself what they would have done had they borne the responsibility of government last October. The answer which came through was as disturbing as it was clear—they would have been incapable of taking the definite decisions necessary to cope with the challenge of the terrorists.

As far as the hon. member for York South (Mr. Lewis) is concerned it is certain from his own words, as they appear at page 5796 of *Hansard* that he would have done absolutely nothing. This is what he said in his speech last Wednesday:

> I am opposed to any kind of special legislation and I am opposed to this motion because it underlines the need for special legislation, something which I do not accept.

Those were his words in the House. They are an interesting addition to the memorandum which was sent to the Prime Minister (Mr. Trudeau) on October 22 last year by the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas) to which the hon. member for Nanaimo-Cowichan-The Islands referred in the House on November 4 last, as reported at page 892 of *Hansard*. He wrote then—

Mr. Woolliams: On a question of privilege. I assume the minister intends to read those words now. This has nothing to do with our party but it affects the principles upon which we work in this House. The memorandum referred to was requested by the Prime Minister. Does the Minister of Justice now say there is no suggestion that whatever was written by the former leader of the New Democratic Party was confidential?

Mr. Turner (Ottawa-Carleton): I see no objection to that correspondence being read, because it was public. We took the precaution of checking with the leader of the party concerned. Moreover, he himself referred to it in his speech on November 4 last. I believe the Leader of the Opposition (Mr. Stanfield) made his reply public, also.

Mr. Stanfield: I have forgotten.

• (4:10 p.m.)

Mr. Turner (Ottawa-Carleton): In any event, the position set forth in the memorandum was that the hon. gentleman and his friends believed it desirable to pass a special statute providing necessary but limited powers to deal with a national crisis arising out of real or apprehended insurrection in peacetime. Then, a number of suggestions were made with respect to such legislation. The following suggestions are made with regard to such legislation under 11 headings dealing with what the new legislation should contain. I fail to understand why the change of mind and heart about the necessity for additional legislation in peacetime, as expressed by the new leader of the New Democratic Party, from that expressed by his former leader in response to a question posed to him by the Prime Minister of this country.

An hon. Member: We have learned a good deal.

Mr. Turner (Ottawa-Carleton): It seems to me there is a bit of an opportunistic change of heart here.

After listening to arguments in the chamber, we find that a type of *non sequitur* is put forward, and we have heard it again today. The argument is that, since the government made a mistake in invoking the War Measures Act in October of 1970, this demonstrates there is no need for additional legislation to deal with emergencies that may arise from time to time in the future by reason of lawlessness or violence in Canadian society. That is the type of *non sequitur* that we have heard. This action was not needed in October; it is not needed now; therefore, this exercise is useless. It would be far better, so the argument goes, to accept the amendment proposed by the hon. member for Calgary North.

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. If the Minister of Justice is going to quote or paraphrase me I hope that he will do so properly.

Mr. Turner (Ottawa-Carleton): I was not quoting you.

Mr. Woolliams: You referred to my amendment and what I said. Mr. Speaker, I intend to be brief. If we need any legislation that should be studied by a committee, in light of the words of the Minister of Justice the last time this subject was before the House when we brought in certain legislation to meet a crisis, the committee should be allowed to study it. I suggest that in light of that, the committee should deal with similar crises. It should be allowed to analyse the former crisis and the government's performance in order to decide whether we need new legislation and of what type. Since the minister began in this vein I hope he will paraphrase me properly, accurately and honestly.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I will deal with that matter of privilege very quickly. I was neither paraphrasing nor quoting the hon. member. I was summarizing the arguments made in this chamber in respect of the amendment. I hope the hon. member will not be so sensitive as to think that I would direct every remark to a speech he made. I referred only to the

amendment proposed by the hon. member for Calgary North.

Another argument proposed was that there was no need for action in October of 1970 because nothing happened. That is the type of argument which is a subtle attempt to put the government in the position where it would have to prove a negative; that is, nothing happened therefore nothing was necessary. I have said before in this House that nothing happened because the government acted. It will avail hon. members on the other side nothing to attempt to invert the burden of proof by that type of argument.

Mr. Woolliams: You come before the committee and give evidence. Then, we can cross-examine you and find out how sincere that argument is.

Mr. Deputy Speaker: Order, please. It would seem to the Chair that the Minister of Justice has the floor. With all respect to other hon. members, I think he should be allowed to complete his remarks. If hon. members have proper points of order or questions of privilege the Chair will hear them.

Mr. Turner (Ottawa-Carleton): I want to assure the hon. member that I am not trembling in my boots over the possibility of undergoing cross-examination by the hon. member. I enjoy this type of intellectual exercise. He has cross-examined me for the last three years and it has been enjoyable for me. I do not know how profitable it has been for him, but it has been a useful exercise.

One fact that must not be lost sight of in this debate is that as soon as possible after the War Measures Act was proclaimed the government introduced the Public Order (Temporary Measures) Act 1970, which reduced the scope of the law in effect under the regulations proclaimed under the War Measures Act. After a full and prolonged debate in this chamber, Parliament passed the public order measure. I submit that in so doing, this Parliament gave its stamp of approval to the invocation of the War Measures Act. I would remind hon. members that section 14 of the Public Order (Temporary Measures) Act provides as follows:

> On, from and after the day this act is assented to, any offence committed under section 4, 5 or 6 respectively, of the Public Order regulations, 1970 made pursuant to the War Measures Act shall be deemed to be an offence committed under section 4, 5 or 6, as the case may be, of this act, and any investigation proceeding or other act or thing instituted, commenced or done under the authority or purported authority of those regulations shall be deemed to have been instituted, commenced or done under the authority or purported authority of this act and as though this act had come into force on October 16, 1970.

In other words, the operative sections of the regulations proclaimed under the War Measures Act were endorsed, ratified and confirmed by section 14 of the Public Order (Temporary Measures) Act which received the approval of this Parliament. I am saying that this was not unilateral government action, but action endorsed by this Parliament and the party to which the hon. member who is interjecting belongs supported that action.

[Mr. Turner (Ottawa-Carleton).]

Under the circumstances, to ask the Standing Committee to sit in effect in judgment on the decision to proclaim the War Measures Act, would be to ask the committee not only to sit in judgment on what the government did, but also to sit in judgment on the decision of Parliament itself.

Mr. Woolliams: What are we going to study?

Mr. Turner (Ottawa-Carleton): Surely this is manifestly an unacceptable attempt through the committee to review a decision of Parliament.

Mr. Woolliams: Even you must choke on those words.

Mr. Turner (Ottawa-Carleton): I also want to remind hon. members that on October 17 this House approved a resolution seeking the confirmation of this House of the proclamation of the War Measures Act. We asked for an endorsement, and that was not necessary under the legislation, but the government felt it should come before the House to receive the endorsement of Parliament after the act had been proclaimed. After a two-day debate the House approved this resolution which reads:

> That the House approves the action of the government in invoking the powers of the War Measures Act to meet the state of apprehended insurrection in the province of Quebec—

That is not the entire resolution but those are the operative words. I am not suggesting for one moment that in order to decide upon the nature and kind of legislation that should be considered by Parliament the committee should not look at the history of terrorism and violent confrontation in this country. That would be as ridiculous as the *non sequitur* I referred to earlier. That history must be looked at, and it is largely a matter of public knowledge—the bombings, the murders and the riots. This must be brought into focus in order to enable the committee to discharge its responsibilities.

I would ask hon. members to bear in mind that there is a vast difference between looking at past events as an aid to guidance for the future on the one hand, and on the other adjudicating on past decisions taken and acted upon.

Mr. MacDonald (Egmont): Would the minister permit a question?

Mr. Turner (Ottawa-Carleton): I will be finished in a minute. The government takes the position that the duty of this Parliament, and the function of a committee of the two Houses, should be to evaluate the necessity for and the kind of additional legislation that may be necessary to meet emergencies of this type in the future, that is, when lawlessness or violence threatens government or the peace and public order. In order that this may be done in an impartial and non-partisan way, as calmly as possible, the burden of this committee must be directed toward the future and the situation as it exists in this country. The hearings should not be primarily an attempt to resurrect the past, going beyond decisions already taken by this Parliament. These are decisions for which this Parliament will take responsibility, and the govern-

ment will take responsibility for their initiation, before the people of Canada.

Mr. MacDonald (Egmont): Mr. Speaker, would the minister permit a question? Since he has indicated that the committee should be able to look at the various kinds of violent activity that occurred, bombings, terrorism and murder, does he also mean that the committee should be able to look at the causes which precipitated this activity, because that may be important in determining proper parliamentary response?

• (4:20 p.m.)

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I do not intend to anticipate the decisions the co-chairmen may have to make in determining what is relevant under the resolution before Parliament if Parliament chooses to pass that resolution. The committee and its chairmen will have discretion under the resolution. I think it would be inappropriate for me to anticipate what the committee or the chairmen should do. They will be charged with the terms of reference and it will be up to them to decide what is relevant and discharge that discretion.

Mr. MacDonald (Egmont): Mr. Speaker, surely the minister is sort of arguing against himself because a moment ago he did definitely suggest the kind of things they might look at. Since he has made these suggestions, which obviously will be taken into account by the committee, I am asking whether he also means that this removes any discussion of the events which precipitated these acts of violence. I ask this question because I think it has been indicated by the leader of the New Democratic Party (Mr. Lewis) that the invocation of the War Measures Act may have had an effect on and possibly precipitated the tragic death of Mr. Laporte, although I hope that is not the case. Therefore, it might be an important task of the committee to indeed consider the invocation of the War Measures Act.

Mr. Turner (Ottawa-Carleton): I am reminded quite often by hon. members that what ministers happen to say from time to time in the House of Commons does not bind the interpretation of a statute which may pass through this place. For the same reason the committee chairmen are not necessarily going to be bound by what any minister of the government says in discharging their own responsibility. I am sure the committee chairmen will listen to the hon. member's suggestions as well as mine, because we are talking about a parliamentary resolution and he has as much right to make suggestions as I have.

Mr. Woolliams: Mr. Speaker, would the Minister of Justice be prepared to come before the committee and give evidence? When he speaks about the history of the various matters that would be helpful in shaping any future legislation, would he be prepared to answer questions and not hide under the formula that it would be against public policy to disclose anything that did happen in order to assist us in the future.

Mr. Turner (Ottawa-Carleton): I cannot anticipate what questions the hon. member or members of the committee will put to me but I would certainly come before the committee if I am invited.

Mr. MacDonald (Egmont): You might be silent.

Mr. Turner (Ottawa-Carleton): I do not think the hon. member would find me silent. I will be bound by the terms of reference of the committee and shall consider any questions which are properly allowed to be put to me. If some of those questions I am unable to answer, the hon. member will know the reason because I will give it to him.

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in rising to speak to this amendment and the main motion, until the last series of interjections by the Minister of Justice (Mr. Turner) and other members, my first observation is to the effect that the Minister of Justice was adopting a rather remarkably low profile in this very important debate. His introductory remarks certainly were very short, and I believe rather vague. I was somewhat surprised by that, and I shall deal with some of the things he said as I go through my remarks. I think perhaps the minister's remarks of last Thursday could be summarized in this way. I believe he said in essence, first, that we need some special powers beyond those of the present Criminal Code to deal with the new and growing phenomenon known as the urban guerilla. He insists, secondly, with a bow to civil libertarians, that the government moved reluctantly last October to invoke the massive powers in the War Measures Act to deal with what has been since sardonically described as the most poorly equipped insurrection we have ever apprehended. Finally, in his remarks the minister said that we must do everything in our power to "strike a proper balance between those sometimes competing and conflicting goals of an orderly society on the one hand and of individual liberty on the other".

But in seeking the balance, the Minister of Justice told the House that there are gaps in the criminal laws of the country in respect of facilitating effective law enforcement at times of serious crises. I have said that the minister assumed, up until today, a very low profile. I repeat this because in mentioning these so-called gaps he does not give the country any real idea or examples of what these gaps are. He is singularly reticent on this particular point, except to say that there are gaps. On the basis of these alleged gaps, the government has by resolution proposed the setting up of a committee. I might read the resolution at this point:

> That a Special Joint Committee of the Senate and House of Commons be appointed to examine, inquire into and report upon the nature and kind of legislation required to deal with emergencies that may arise from time to time in the future by reason of lawlessness or violence in Canadian society and that endanger the existence of government or the maintenance of the peace and public order.

If one reads this carefully, it will be seen that there is no mention whatsoever of two very important considerations. The first is that there is nothing in the terms of reference of the committee with regard to recommending to the government, as a result of its deliberations, whether or not special legislation is required to protect society

from lawlessness. Apparently the minister has already decided this. The minister and the government have decided that special legislation is needed or else he is locked into his particular stance because the whole case for the invocation of the War Measures Act last fall rests entirely on the government's allegations that the Criminal Code was inadequate to deal with the alleged crisis at that time.

The second point—and I feel this is a considerable point—is that there is nothing in the resolution to indicate that the committee is to be instructed to take any special cognizance of individual freedom and personal liberty in bringing forward its ultimate recommendations. On the contrary, the whole thing is negative. It is a law and order resolution. I shall read the pertinent portion again:

> ... legislation required to deal with emergencies that may arise from time to time in the future by reason of lawlessness or violence in Canadian society and that endanger the existence of government or the maintenance of the peace and public order.

So, what we have is a resolution anticipating certain recommendations from a committee before it has even been set up. I would have been much more comfortable with this particular resolution if these two items had been included in it. After all, who could be against studying whether or not we need special legislation? The urban guerilla tactics are a relatively new feature and are not confined entirely to Canada and Quebec. Throughout the world people are fearful of this new phenomenon.

In the minister's opening statement, there is a brief and mild reference to individual liberties, but how can anyone support a resolution which makes no specific reference to the importance of individual rights in a free society at a time of crisis, a crisis the very existence and definition of which is decided by the government. According to the resolution, and by referring to gaps in the Criminal Code, the government has decided that special measures are indeed required. The resolution does not use the words, "such means as may be required". It states flatly that they are needed. As I said earlier, the whole case for the invocation of the War Measures Act rests on the particular assumption that the Criminal Code is inadequate. That is why the minister is reluctant to allow in this resolution a phrase concerning individual liberty. I believe then that it follows the minister knows in his own mind exactly where these gaps exist and has a pretty good idea of the kind of thing he wants to plug these gaps, the kind of legislation he needs to overcome these so-called gaps in the Criminal Code.

• (4:30 p.m.)

I do not think there is any doubt about it, but to date he has not told us, he has not given us any inkling at all. He wants to fob off the whole thing in a joint Senate-Commons committee. He wants to spread the guilt for the resulting recommendations and to evade the direct responsibility for the changes which he has decided upon already. I do not know whether he is gun-shy because of the flak he got from the so-called Turner law. I do not know what his motivation is, and it is not for me to impute motives, but I sincerely believe that he has a pretty good idea of what he wants included in this legislation, and setting up a parliamentary committee to recommend special measures without allowing it to look into the recent past which motivated the need for them is a mild diversion at best. That is what I think.

I assert that it is incumbent upon the minister to stand up and tell us—he has already responded to a number of other questions—what he has in mind to fill in these gaps, because we have been sucked into similar strategies before. The minister made reference to this in his own little intervention here a moment ago. Before tabling the Public Order (Temporary Measures) Act, or the so-called Turner law, each caucus was invited to participate in the legislative drafting by sending suggestions to the government. Our caucus felt that it was a serious search for multi-party legislation to deal with what we did or did not know about a crisis that was occurring at the time. Certainly everyone in the House, including the government, was rather anxious to get rid of the War Measures Act. Our caucus responded to the letter of the Prime Minister (Mr. Trudeau) and spent considerable time drafting certain suggestions. We have been bludgeoned over the head with those suggestions today, but the point is that we saw the resulting legislation and we saw our suggestions ignored.

Mr. Turner (Ottawa-Carleton): It was not permanent legislation.

Mr. Rose: I am speaking about the Public Order (Temporary Measures) Act on which we were invited to submit suggestions.

Mr. Turner (Ottawa-Carleton): May I rise on a point of order, Mr. Speaker. The suggestions of the hon. member's party regarded permanent legislation. The Leader of the Opposition took the position at the time that it was not opportune to bring in permanent legislation without further public discussion, and the government agreed with that position. We then brought in the temporary bill which lasted until April 30. We are now dealing with the subject of permanent legislation to which the New Democratic Party addressed itself earlier.

Mr. Rose: Regardless of the clarification which the minister has given, our party spent a good deal of time considering the kind of legislation needed to cover a particular problem. But at that time no one really knew anything more about the situation than the information we received from the government or the press. Subsequent events and revelations placed us in an entirely different position on this question. The same thing was true with regard to the Public Order (Temporary Measures) Act. We voted in favour of it on second reading because we felt there was a chance that a concerned government would accept certain amendments that we had to offer. It was hoped that, in order to get rid of the War Measures Act, although we did not particularly like the Public Order (Temporary Measures) Act, the government would not be impervious to certain amendments

which were designed to protect civil liberties and to soften the more repressive provisions of the War Measures Act. But we learned that this was a mistake. The government repudiated even the most innocuous of our amendments. It is my belief that they had no intention at any time of accepting any amendments.

So much for our experiences, except to say that we have no intention of making the same mistakes again. Subsequently, on third reading we voted against the legislation because we felt that it was excessive and repressive. The problem boils down to whether or not the Criminal Code contains sufficient powers to deal with contemporary problems. That is the nub of the issue. I think it would be useful perhaps to deal with what powers the government of Quebec had at its disposal during the darkness of last October. Certainly, many people believe that the federal government and the Quebec government had all the powers they needed under the existing legislation to deal with the crisis and that the invocation of emergency powers had very little to do with the crisis. In fact, the feeling is that the government achieved nothing positive thereby. So we begin to wonder what was the real reason for invoking the act.

The hon. member for Egmont (Mr. MacDonald) touched upon this aspect. Was the invocation of emergency powers really designed to deal with the FLQ or was it a cover to suppress all leftist and separatist groups, particularly members of the Party Quebecois which had gained 24 per cent of the popular vote in a recent provincial election? Many of us are aware of the situation in Montreal, although we do not live there, and the fact that it is a volatile one is nothing new at all. We have heard of bombs in mailboxes and the excessive security needed during Her Majesty's visit to Quebec, as well as Saulnier's attempts at distraction by blaming the infiltration of the FLQ into the CYC at the time of the police strike. All these things are well known to many people. One does not have to live in Quebec to learn that welfare benefits in Montreal are probably two thirds or three quarters of those received in Toronto. We know that instead of building public housing in Montreal to ameliorate the desperate slum housing situation there were circus things like Expo, major league baseball teams and Olympics games given top priority to distract people from the real issues. We wonder if the War Measures Act was not a distraction also.

What is in the Criminal Code? It provides the power to deal with intimidating Parliament or a legislature and to deal with unlawful assembly. It can deal with treason, sedition, sabotage, riots, violence, crimes, kidnapping, and criminal conspiracy. That is a large bag full of powers. In addition, in Quebec there is the Quebec Coroner's Act of June 1967, which requires that every time there is a death caused by violence, negligence or culpable conduct, a hearing can be held in public or private as the coroner decrees, and he can order anyone arrested whose testimony he believes to be pertinent. The person arrested must be brought before the coroner within 24 hours or as soon after as possible, and the coroner can order him detained without bail for up to eight days, when the coroner can detain him another eight days, and so on, until the end of the inquest, unless a Superior Court judge orders otherwise. All this can be done without public knowledge. This is a further power they had.

In addition, in December of 1968 the Quebec legislature passed the Quebec fire investigations act. The act requires an investigation every time there is a fire or explosion which "does not appear to have resulted from mere negligence or to have been purely accidental". An inquiry must be held if the investigation commissioner has reason to believe that culpable conduct or design was involved. This inquiry also can be public or private. Witnesses can be arrested and detained without bail for 24 hours, and all this can be done without public knowledge.

• (4:40 p.m.)

Then, on June 14, 1970, there was passed the Quebec Explosives Act which sets up a licensing system and prohibits the unauthorized possession of explosives. Inspectors can search without warrant where they have reason to believe a breach of the act is occurring. Refusal to give information can earn suspects fines and prison sentences. In effect, they can be forced to testify against themselves by threat of imprisonment.

This is the legal arsenal that was in the hands of the Quebec Minister of Justice last October, a pretty profound and powerful arsenal. I suggest that there seem to be substantial powers in it. In addition to these powers, it should be remembered that the Canadian Forces were deployed in Quebec at the time the War Measures Act was implemented. The Canadian Forces were not deployed under the War Measures Act. I am sure the Minister of Justice remembers that full well. They had been in Quebec for some time. We should all recall also that the tragic death of Pierre Laporte was not averted by either the presence of the army nor the invocation of the War Measures Act some three days earlier. And so here we are, Mr. Speaker.

The government maintains it needs extra powers beyond those in the existing Criminal Code. The resolution does not say whether or not we need extra powers. It assumes we do, but there is a substantial body of opinion that the government does not need extra powers. There are a few portions of the brief of the Canadian Civil Liberties Association, of March 19, 1971 worth quoting. It is a thoughtful, eloquent brief and deals with the topic that we have before us today, which is not the War Measures, son of War Measures, but the grandson of War Measures. The brief reads, in part:

> In our respectful opinion, nothing short of an imminent peril of war, invasion or insurrection could justify governmental abridgement of some basic liberties.

The brief further states:

> Presumably the proposed new legislation, being less awesome than the War Measures Act, could be invoked with less political repercussion than the War Measures Act. In our opinion, however, the invocation of emergency powers should be made less easy rather than more easy. The survival of free institutions requires that we aim in the direction of minimizing the use of emergency powers to deal with the problems that confront us.

Another part of the brief reads:

One way to minimize the use of emergency powers is to force the government that wishes them to sustain the political consequences of invoking the ultimate legal monster, the War Measures Act. For the very reason that it is so politically difficult to invoke it is preferable that a government should have to choose between the enforcement of existing criminal legislation and the invocation of the War Measures Act.

The quotation continues:

Almost nothing in the regular law prevents the police from infiltrating, spying, bribing, and even engaging in electronic eavesdropping. While a valid case might be made that some of these powers could be curtailed, particularly electronic eavesdropping, it is impossible to argue for their expansion. What could be urged—

And I think this is pertinent and appropriate to the city of Montreal

—of course, is the more skillful use of some of these techniques. But improved police techniques don't require additional legislation.

The brief concludes by saying:

In any event, the onus must be on those who seek the enactment of such additional legislation to demonstrate the size of the evil to be purged and the need for the means to be used.

That is what the amendment proposed by the hon. member for Calgary North (Mr. Woolliams) suggests, because you cannot divorce the crisis of last October from this particular committee's concerns or the discussion here today. It is impossible to divorce these two. I believe it is up to the minister to prove to this House that special legislation is needed. So far he has not done that. He has been singularly silent on that. His resolution only implies that it is needed, but he has not proven it is needed.

It is not enough to say that, because most people supported the invocation of the War Measures Act at the height of the crisis its implementation was the right thing to do at the time, any more than it is to say now that if most people are in favour of this sort of half-way legislation, then more is either right or necessary. Isn't that what the committee should be deciding? It certainly appears to me that is what the committee should be deciding.

Sometimes it is very tiresome to listen to lengthy quotations, but I do not wish to be stopped from presenting the thoughts of others just because it might be tiresome. I would like to refer to the writings in the Montreal *Star* of a gentleman by the name of Dominique Clift, because some of the things that he has had to say about special amendments to the Criminal Code deal with the subject we are discussing.

The implication of course is that urban guerrillas and terrorism are viewed by the government as an almost permanent feature of our society, much like they are in the United States.

Parenthetically, I think that the Americans have never used an instrument as repressive and as massive as the War Measures Act, even though they have dealt with some tragedies, some insurrections of a size certainly magnified by many times the events in Montreal last October.

[Mr. Rose.]

Mr. Clift continued:

The definition of what constitutes an emergency belongs to the executive and remains a discretionary power of the government. The trouble with this is that information on emergencies is always derived from the police force which is essentially bureaucratic in the sense that its actions, its attitudes and even its methods usually escape public scrutiny . . .

Increasingly, police would be called upon to assess what would be essentially a political situation. The danger is that the cabinet would gradually abdicate its own political authority in favour of the police who already enjoy a monopoly of information on subversive activities. This inevitably leads to increased police activity based on wider surveillance, the accumulation of personal files and the issuing of identity cards.

I am rather fearful of the Solicitor General's (Mr. Goyer) recent suggestion that Members of Parliament should be treated in the same manner as anyone else, when responding to a question on whether or not there was surveillance or a file kept on certain Members of Parliament. Mr. Clift says:

In the realm of law and civil rights the dangers are even greater. The War Measures Act and the Public Order Act have instituted a new type of offence: the political crime. This is evident by the special provisions which affect the civil rights of persons under suspicion and detention, and which allow for wider and more discretionary use of police powers in times of emergencies. Greater protection should be afforded in such things as access to a lawyer, quick appearance before a judge, preventive detention and compensation when no charges are laid.

He closes by saying:

These are the reasons why the legislation which will succeed the Temporary Public Order Act becomes so important. It may well be necessary to foresee various measures to counter new incidents of terrorism, but as much as possible they should avoid eroding any existing rights. This is all the more important since civil rights are coming under pressure from many other directions, such as credit companies and electronic spying, for instance.

In conclusion, Mr. Speaker, it seems to us the government has not proven its case that the invocation of the War Measures Act was justified in the first place, nor that this proposed resolution adequately protects the rights of the individual because it is biased in favour of law and order. Any special legislation can be used for the purposes for which it is passed, but it also can be used by irresponsible people merely to stamp out dissent, and we are very concerned about that. That is why I will vote in favour of the amendment put forward by the hon. member for Calgary North. There is still far too much mystery surrounding all the events of last October. My attitude is based not merely on a desire to look back and see whether the government was right or wrong. That is history and people have already made their decision about it. I think the crucial point is that if the events of last fall had not taken place, we would not be dealing with any resolution today that interests itself in the urban guerilla problem.

• (4:50 p.m.)

Some hon. Members: Hear, hear!

Mr. Rose: It is on that basis that the government must justify whatever legislation may come out of this committee. I repeat, I am not happy with the implication in

the resolution that the committee is bound to come up with recommendations on legislation to deal with these problems. It is not allowed the responsibility of deciding whether we need such legislation, but the committee must examine all the facts thoroughly. We have to get at the facts as distinct from government fancy and whitewash before considering amendments to the Criminal Code or special legislation. The Woolliams amendment is worthy of support and I intend to support it.

Our dilemma is that every time we place further power in the hands of the executive we tend to create a potential abuse of such power. Therefore, if we give more power to a particular branch of the executive through special legislation, then reciprocally we may need more safeguards for individual rights and privileges. This protection is not covered in the resolution. In my view the resolution is deficient in two places and in voting for the Woolliams amendment I shall—

The Acting Speaker (Mr. Richard): Order, please. Not much shocks me, but I would ask the hon. member to refer to the amendment of the hon. member for Calgary North (Mr. Woolliams).

Mr. Rose: Thank you, Mr. Speaker. I shall certainly not call it the Woolliams amendment again. I am relieved to hear that Your Honour does not shock very easily.

The amendment proposed by the hon. member for Calgary North is worthy of support for the reasons I have given and, similarly, a non-amended form of the resolution before us is unacceptable for the reasons I have outlined. I think it is important that we look into the various implications of what we are doing here. A great deal of study has been given to this particular dilemma by Mr. Herbert Marx, in an article which appeared in the McGill Law Review. As far as I know he is no relation of either Harpo or Karl. In this article Professor Marx says:

> It is axiomatic that a sovereign state must have effective means at its disposal to deal with emergency situations. Some curtailment of civil liberties is perhaps also inevitable, depending on the gravity of the emergency. However, we must provide checks for unwarranted and excessive government interference with basic liberties. There are at least three such possible checks.
>
> (1) An entrenched or constitutional Canadian Bill of Rights would offer some guarantees. At least, it would prohibit Parliament or the government from automatically suspending civil liberties during an emergency.

I do not think I need elaborate on that or contrast it with what protection an American citizen has in a similar crisis.

> (2) Parliament can restrict the powers delegated to the government under the War Measures Act or under an analogous law. For example, it should be more clearly delineated under what conditions the government can invoke its emergency powers;—

We have never heard about these conditions, Mr. Speaker, from the government.

> —the government should not have the power to deport Canadian citizens; and, it should be specified under what circumstances and with what safeguards the writ of habeas corpus can be suspended.
>
> (3) Implementation of one or both of the above suggestions would permit our courts to be more vigorous and imaginative in checking abuses of our civil liberties.
>
> There is, however, no panacea for the maintenance of civil liberties during emergency. In the long run, as Harold Laski wrote in 1942, the crucial factor in the preservation of civil liberties "is the existence of a citizen body which is conscious that civil liberties matter, and is willing, if need be, to fight for them."

[*Translation*]

Mr. Paul-M. Gervais (Sherbrooke): Mr. Speaker, in following the debate these last few days on the motion concerning the establishment of a special joint committee to consider legislation required to deal with emergencies arising from disorder and violence, I see that the amendment moved by the hon. member for Calgary North (Mr. Woolliams) seems to have been designed to allow that committee or the House to appeal past decisions of the House.

I realize that the amendment seems to be conceived only to permit a revision of the past. And as the Minister of Justice (Mr. Turner) mentioned a moment ago, what we must do now is look at the future. The people have judged the past and I am sure that they are satisfied and interested in the future.

Moreover, those decisions particularly and essentially drawn from that amendment were taken by a large majority vote in the House and were welcomed by the Canadian people and especially by the Quebec citizens, in spite of the statements made by intellectuals and so-called intellectuals.

Allow me to give a personal view and mention that the Quebec citizens are as much if not more competent and qualified, individually or through their elected representatives, to analyse current events while we are living in a quiet period and that the fear of disorder has been averted, at least temporarily. We hope that those conditions will become permanent.

On the other hand, as a result of some speeches delivered in the House, we feel that some members are far from understanding the reactions and thoughts of Quebecers, I do not blame them; I have no right to do so. This ignorance of the Quebec climate can evidently be ascribed to the distance between that province and others and to the misunderstanding and confusion created by various interpretations and slight differences of language for some whose mother tongue is not French.

• (5:00 p.m.)

However, a great many hon. members from other provinces have been trying to get the facts, both by reading objective reports and through discussions with colleagues who have had a very close knowledge of the October crisis. Let no one say that a bill has already been drafted and that this government is merely waiting for the right opportunity to introduce it. It is even suggested that the proposal to create a joint committee is but an indirect way of giving this matter a first-class funeral.

Perhaps these may be the reasons which have incited the hon. member for Calgary-North (Mr. Woolliams) to move his amendment.

If we were to believe certain hon. members who have participated in this debate, we would think, as a commentator put it quite recently, that of his own free will James Cross went into closed retreat for two months and that our good friend the late Pierre Laporte died of a heart attack. Let us be responsible.

The premier of Quebec the hon. Robert Bourassa feels that permanent legislation must be passed. He is supported by his government, his minister of Justice, municipal authorities, the Montreal police, the provincial police force and the majority of Quebecers.

To my mind, it was not necessary to extend the enforcement of the temporary legislation. The inclination of the opposition was obvious and pointed to an endless debate. Moreover it is my humble opinion that the population was then and still is anxious to have a permanent legislation.

It seems that at times members on the other side object to a legislation just because they are opposition members. Some voted for the War Measures Act and even suggested that, as a reprisal, 30 members of the FLQ should be shot for every public figure kidnapped or killed.

Later, their views underwent a change. Other opposition members blamed the government for acting too late and too impulsively or for not having acted quickly enough, since there had been bombints at irregular intervals for over seven years. Does the opposition want to go over the whole thing again? That is what I gather from the hon. member's amendment.

The establishment of this committee will provide hon. members who are concerned with urgent and vitally important problems with an opportunity to hear government representatives, as the Minister of Justice has just said, expressing at the same time his willingness to testify if invited to do so, as well as representatives of police forces and associations created for the protection of civil liberties. And I feel that many of these various associations in Canada will want to appear before this committee.

If we wish to participate objectively in these discussions and to listen to all the views expressed, I am sure that it will be possible to legislate while striking a proper balance between collective security and individual freedom.

I intend however to suggest a formula to the committee to be set up, whether I am a member of it or not. In any event, I want to say that my position is not rigid as I will always be happy to listen to the pros and cons of such a proposal.

Would it not be in order to enact legislation much along the lines of the 1970 act providing temporary emergency powers? However, such legislation enacted by the federal government under its jurisdiction, would be implemented through proclamation by provincial authorities only in exceptionally serious circumstances such as those which led this government to do so last fall.

This law would be recorded in the statutes and could be implemented only under very limited conditions, as I said earlier. In fact, it would be effective only in a passive manner, and it could become operative only in those circumstances I just mentioned.

[*English*]

Mr. Stanfield: Who decides?

Mr. Gervais: The provincial government.

Mr. Stanfield: Will there be any resort to the courts?

Mr. Gervais: The provincial government will make its own decison, being close to the situation.

[*Translation*]

As a matter of fact, this would be a passive law in the statutes only to be enforced by the government, as I said to the hon. Leader of the Opposition, in serious circumstances such as those that occurred last October.

Had this law been in force in Quebec during the October crisis, the Quebec authorities would have been fully justified in enforcing it by proclamation as the federal government did with the War Measures Act, a gesture that the whole Canadian society applauded.

At the present time, we are inclined to consider only the problems that Quebec has to cope with as a result of the unhappy experience that province has had. However we must not deceive ourselves. Unfortunately, I don't believe I am wrong when I say that other provinces may have similar trouble and that they will be visited with the same virus in the face of pernicious doctrines daily infiltrating all our institutions. I hope I am mistaken in saying that, but such is my opinion.

Anarchists are seeking a vehicle for their theories. They found one in Quebec. They could well establish another elsewhere in Canada or adopt one, making subtle and skillful use of it as they did in Quebec, subsequently stirring up a segment of the population, to achieve the purposes that are well known.

It would then be the responsibility of the province involved to look into the facts and take decision. Provinces have the juridiction, the awareness of facts and are perfectly able to assume that responsibility, just as Quebec did and proved a few months ago.

[*English*]

We have had in the past few months glaring examples showing that certain members from one part of the country do not know about the other parts of the country. It is not by spending a few months in St. Jean, Quebec, and studying French or by travelling as a tourist in Quebec for a few weeks, or in any other province for that matter, that we can really learn to feel the pulse and understand the frustration that subversive elements are continually feeding our people by various devices and subtle methods. I have faith and confidence in the competence and knowledge of my provincial government, as I am certain other hon. members of this House have in their own provincial governments. They are elected by the same process as we are in this House. They are elected by the same people. I have faith in the common sense of the electorate, as manifested in municipal, provincial or federal elections.

I do not feel that the constitutionality of such a proposal is in question. This would be federal legislation, be it an amendment to the Criminal Code or an isolated statute which would be applied by the provinces. This

appears to me to be intra vires and not a delegation of powers. We have examples of such legislation. A recent amendment to the Criminal Code of Canada legalized lotteries, provided the provincial governments passed the necessary legislation and issued a licence to a body wishing to operate lotteries. The Riot Act can be read by a mayor or his alternate or substitute or someone in authority to declare that an assembly is unlawful. This is federal legislation applied by the provinces in a given set of circumstances.

I would not want hon. members or the population at large to think that such a proposal would exclude the intervention of the Armed Forces of Canada, if so requested by a province. This subject is correlated very intimately with recent events. This matter falls under an entirely different department. This intervention, however, would have to be and should be borne by the national treasury. The Canadian army, of which we are rightly proud, is the army of all Canadians. Its use, when and where required, should be provided by the Department of National Defence without any provisos whatsoever.

Such a suggestion would not exclude the establishment of a compensation board set up by the provinces in the event of unfair or prejudicial acts performed, perhaps, by over-zealous or inexperienced police authorities. Again, this being a matter of civil law, our provincial jurisdictions would apply. I have no doubt that some agreement could be reached. Would we, in this Parliament, not be over-paternalistic if we did not consider these different points "en bloc", as a package deal?

In the name of peace, order and good government I think that we should, regardless of party affiliations, seek a new definition in this new legislation of organizations deliberately planning to overthrow the established authority by force and violence. Whatever an association may be, whatever name it may use, if it is plotting to overthrow the established authority by extraordinary means, meaning by force and violence—it need not be one that forms part of the FLQ family—then I believe, Mr. Speaker, that adequate instruments must be given to the various police forces to enable them to function effectively under extreme circumstances and to protect the civil liberties we all cherish so much. That is the crux of this issue.

• (5:10 p.m.)

Mr. James A. McGrath (St. John's East): Mr. Speaker, I listened with interest to the hon. member who just took his seat. He is a learned member of the Quebec bar. Naturally, I was most interested in what he, as a member from Quebec, had to say on this subject. Your Honour will forgive me if I suggest to him that I do not believe the matter can be expressed in the simplistic terms he tried to outline to the House. This is a much more complex matter. It is one of vital concern to all Canadians, regardless of where they live in this country. To suggest that those of us who are not from the province of Quebec have no knowledge of the subject questions our right to make any comments or in any way participate in the debate which deals with a matter of concern, especially to the province of Quebec.

I wish I could also say that I have the same faith in my provincial government that he has. I suspect there are many in this House who could echo this sentiment. In my province of Newfoundland, there have been many occasions in the past few years to look with concern upon the government of our province because in the name of law and order, peace and good government, the civil rights in our province have been lightly tossed aside on more than one occasion. Perhaps the only way we will ever resolve this dilemma, which faces all of Canada, is to have a bill of rights entrenched in our constitution which will give equal rights to all Canadians regardless of where they live in this country.

We have a federal statute, the Bill of Rights. Unfortunately, it does not fully meet the need because it only covers the areas under federal jurisdiction. Under our constitution, property and civil rights come within the jurisdiction of the province. A bill of rights in this country can only be truly effective if it is ratified by all of the provinces and enshrined in our constitution. Then, and only then, will Canadians be assured of their rights, regardless of what province they are in, and where they may go in this country. As things stand at the present time, it is fair to say that there are 10 different standards of civil rights in this country, depending on the province you happen to be in at a given time.

I would like to say a few words in support of the amendment. I believe that the amendment is important and one which should commend itself to the House. In citing the need for a review of the events of last October in the committee, we are merely stressing that in order to establish whether fair and effective legislation is needed and what type of legislation is needed, we must look upon this task in light of the events that occurred in Quebec last October. We must examine the situation as it unfolded then in order to more properly determine the kind of legislation which is needed. That is what this amendment states. Otherwise, there is the danger that the committee will become nothing more than a useless vehicle, albeit one that is convenient to the government. Perhaps it might even get the government off the horns of this terrible dilemma. In my opinion, it would be utterly meaningless in coming to grips with the problems which generated and contributed to the situation last fall which shook the very foundations of this nation.

I supported the invocation of the War Measures Act, believing that my support was conditional on the government at some time in the future, when it felt it would be in the public interest to do so, to reveal to the House and hence to the public the need for invoking the War Measures Act in the first instance. This is another reason why I commend the amendment to the House. If this amendment is accepted by the House, it will enable Parliament to fulfil its obligation to the people, which it has not done to date. The House would then have the reasons why the government felt it had to take the measures it did to meet the situation last October.

I also supported the public order bill because it was the fulfilment of one of the undertakings of the government that it would replace the War Measures Act by such a bill. This party supported that move because, among

other things, it helped to restore some degree of normalcy to the country at a time, and I do not think this is an exaggeration, when civil rights had been suspended across the country as a consequence of the invocation of the War Measures Act. With concern, I watched this legislation die and wither. I saw and heard the Minister of Justice (Mr. Turner) give his explanations in the House as to why the legislation was allowed to go the way it did. We are left with the feeling that we had a hypothetical crisis. We have not been given one concrete fact to back up the government's use of the most severe and repressive legislation this nation has ever had in peacetime, indeed, legislation which was never meant to be used in peacetime. By its very name, I am sure the legislation was only meant to be used when this nation was at war.

To this end, it would be invaluable to have members of the government, officers of the Crown and the Minister of Justice state to the committee their reasons for the action they took. In so doing, they might be able to convince the committee of the need to come up with new legislation. They could contribute to helping the committee determine the type of legislation that is needed. We can learn much if we are told of the events of last fall. Hopefully, if this kind of evidence is produced before the committee, we can produce legislation that will adequately safeguard civil liberties in this country, the civil liberties of those who are presumed innocent. Only in this way can this committee serve a useful function and adequately meet the responsibility with which this Parliament is about to charge it. I find it very difficult to understand why there would be any basic opposition to the amendment setting up the committee.

My basic belief is that the powers of search and detention employed during the October crisis are of prime importance and central to the whole issue. Important as that may be, we must not forget what I consider to be contributing factors to the events leading up to what took place in Quebec, the social conditions, unemployment and economic disparity. However unpardonable these actions were, there is no way that the government can escape the fact that economic conditions in the province of Quebec and other parts of the country last October and, indeed, now, are such as to be a cause of great concern.

• (5:20 p.m.)

By reviewing the crisis legislation of last October, the committee will be in a better position to evaluate incidents and procedures which resulted in the internment of many citizens whose rights were taken away. Most of them were subsequently released without charges having been preferred. I believe the committee should have the right to learn how the list of persons to be detained was arrived at. Were these arrests the result of arbitrary decisions or did the police follow a general blueprint in arresting people at all hours of the day and night? These are questions which are in the minds of many Canadians and they are questions which will be of concern to the committee as it discharges its responsibility to the House and to the country.

Because of the seemingly arbitrary nature of the police action during the October crisis, we as legislators, and the public at large, are left in the dark as to the reasons for which these actions were taken. These are questions which must be answered before we can usefully set about determining whether or not legislation is necessary to deal with certain situations in the future, and, if so, what type of legislation is necessary.

The facts as they appear at the present time and, indeed, as they have been admitted in the House, indicate that the events of October did not warrant or justify going beyond the powers contained in the present Criminal Code. It is with trepidation that I, as a layman, refer to the Criminal Code, since I am not versed in the criminal law. However, I have made it my business to learn something about the provisions of the Criminal Code as they affect the situation with which the committee will be dealing. Section 46 deals with treason. It covers the use of force for the purpose of violent overthrow of government. It also deals with conspiracy against the state such as to prejudice the safety or defence of Canada. Section 60 deals with sedition. It covers criminal conspiracy and seditious intention. It is specific in dealing with those who advocate the overthrow by violent means of a democratically elected government. Section 64 has to do with unlawful assembly. It is this section which could have been used in the case of public gatherings or meetings conducted by groups, against which action was considered desirable at that time. Furthermore, the effectiveness of those sections of the Code dealing with kidnapping and murder are obvious to anyone who has studied them.

In October, the government expressed the view that the reason for invoking the War Measures Act was the difficulty of obtaining warrants under which people could be arrested in respect of an apprehended crime in circumstances in which, in the view of the government, insurrection was apprehended. Sections 434-436 inclusive deal with the right of police officers to arrest without warrant, on certain grounds, those who in their opinion have committed or are about to commit an indictable offence. Other sections make reference to parties to an offence, persons counselling an offence, persons accessory after the fact, and persons intimidating Parliament or the legislature. These are sections 21, 22, 23 and 51. I should like the minister to tell us in what way sections 46, 51, 60, 64, 434, 435 and 436, dealing with the murder and kidnapping which unhappily took place in Quebec last fall, are inadequate?

It might also be useful to refer to a Quebec statute which gives wide and sweeping powers to the state, powers which are of great concern to many people. I refer to the Quebec Coroners Act which provides for the arrest and detention of persons whose testimony the coroner deems necessary in certain circumstances. The relevant sections of this act are sections 22 and 23. Obviously, the Quebec government had all the power it needed under the terms of this act. In my view, the federal government and the provincial government concerned had all the powers they needed under the Criminal Code.

It is easy to say that hindsight is infinitely better than foresight, but it appears to me that the use of the War

Measures Act last fall in relation to the final outcome of that unhappy crisis was neither profitable nor proper. The application of the War Measures Act is a matter for an executive order, and this being so I should like to see provision made for a judicial review of action taken under the regulations so that those who are detained without a charge being laid would have this recourse open to them.

For these and other reasons, the amendment should commend itself to the House. Perhaps the committee might discuss the whole area of civil rights in this country. In so doing it might assist governments of this country, both provincial and federal, as they pursue their task of trying to write a new constitution. Central to such a constitution would be a bill of rights which would ensure that Canadians shall have certain rights enshrined for all time.

• (5:30 p.m.)

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, as we proceed to the formation of the new committee to consider the threat of violence and terror in society, we have the opportunity to run a circus act which could be the biggest show in town, if that is what we desire. The ingredients are here; intrigue, violence and murder. The full range of human emotions can be tapped; fear, hatred and racism. There are many brands of philosophy that are relevant; tyranny, facism, communism and totalitarianism. There could be opportunities for great partisan political gain. Every political party could play. There could be great gains and risks of great losses to all parties and individuals. All of us are on record. We can, each party at this committee, build an election campaign. The promises, the charges and the counter-charges can all be presented to the committee, but I do not think this is the job we were sent here to do. We were not sent to campaign. We were sent to try to solve Canada's problems, not to exploit them, and particularly not to exploit them for political gain. At another and more dangerous level we could emphasize differences in our work, religious differences, differences in development and in values. In this way, we could help to tear Canada apart. I submit that these are temptations to be resisted.

The government has to assume full responsibility for its role in the events which took place in and around Montreal last October. There should be no question or doubt about that. I was glad to hear the Minister of Justice again emphasize the acceptance by the government of its responsibilities. Likewise, the opposition parties will have to assume the responsibility for their positions. The facts and interpretations of the facts have been presented and will be presented in the next election campaign. It will be up to the voters to judge all of us. Beyond that, the issue will be judged by history; who were the heroes and who were the flim-flam men of the FLQ crisis. As I see it, the proposed committee should not beat these bushes. It has a more practical job and one of greater moment to look into.

I followed with interest the case put forward by the opposition spokesmen on the motion and on the amendment. The theme of their remarks was that the committee should uncover what they call the half-truths and distortions which were put forward to try to justify the implementation of crisis legislation and to prove that what the government did last fall was shameful. They hope, and they are quite right, that the amendment proposed would steer the committee to focus on an exercise in politics.

Organized violence and terror was not invented by the FLQ. Regretfully, I do not believe the threat of organized violence and terror will end with the end of the FLQ. I, personally, reject the amendment before us because it implies that the answer to the broad question of coping with violence lies in the events of last October in Montreal. I supported the government last October and voted with it. Obviously I, for one, do not concede that the government over-reacted then or that it was engaged in an adventure. To focus on this issue is to defeat the purpose of the committee.

Even if the allegations of the opposition were conceded, the proposed subject of discussion by this committee would still be justifiable and valid on the basis of developments which are visible elsewhere in the world and elsewhere in this country.

Mr. Stanfield: Such as what?

Mr. Kaplan: Elsewhere in the world there is this threat of active terrorism and violence.

Mr. Stanfield: The hon. member said "elsewhere in this country". I wonder if he would give us some examples?

Mr. Kaplan: I can give this example. My wife and I were tear-gassed at a public meeting in Toronto about five weeks ago by people who purported to be members of the Edmund Burke Society. We were tear-gassed in a campaign which the police stated had been carefully organized well in advance.

Mr. Stanfield: So, there should have been an emergency declared.

Mr. Kaplan: I am not saying that.

Mr. Stanfield: What are you saying?

Mr. Kaplan: I am making a point and I think it is a valid point. I am glad to have had the opportunity to illustrate it. Violence and terror are with us in this world and, whether we like it or not, they are not limited to the events that took place in Montreal.

Violence and terror have an ancient history, but their evolution in modern society involves something new. There are two new things happening on which I should like to focus. Firstly terror is increasingly becoming recognized as a legitimate political tactic. This legitimacy must be under-cut. In spite of the suggestion which the leader of the NDP made during the last day's debate on this motion, I believe we live in a society in Canada in which the will of the people is expressed in the institutions of government. We have not yet a truly just society. None the less, I believe there are no disadvantaged groups, regions or classes in Canada which have any right or reason to give up hope that the democratic process can work to their benefit. More and more these disadvan-

taged interests are learning to use democratic processes to achieve their ends.

But this is not true in every country of the world. In some other countries the just society is remote or non-existent. Disadvantaged groups and dissident minorities have no reason to believe that in these other countries their lot will improve within the given order. They have good reason to believe, on the contrary, that the social and political order is determined to exclude them and to defeat them. In these societies, revolution and the use of terror are understandable. They have become legitimate. We are political animals in this chamber and my guess is that some of us, if we were transplanted to some other society and felt the call to improve that society, would be terrorists. In other words, in some circumstances and in some societies, terror approaches legitimacy.

As we in Canada watch the evolution of remote societies in places both far away and near, we see terror and violence on television in our living rooms. For a small minority of us the difference in the Canadian setting is lost. In those countries the leaders of terrorists negotiate with heads of state. They settle treaties and their rights are established. The urban guerilla, the terrorist, the pirate and the kidnapper are gaining new international credibility. This is a credibility these people do not deserve in Canada. This is a new feature of terror and violence, and I believe it requires the considered attention of the committee.

A second factor which lends immediacy to our need for this study is the growing destructive capacity of the individual criminal or criminal group. In the state of technology of 200, 100 or even 50 years ago, throughout the period during which our values of civil liberties were defined and have flourished, there were rather narrow physical limits to the amount of damage and destruction that even the most violent and deranged killer or anarchistic group could do in society.

Along with the positive things technology and affluence have brought us, they have brought on the negative side the vastly increased power of destruction. For example, theoretical studies have been conducted by the Hudson Institute of New York of the ways by which a small group could kill most of the eight million inhabitants of New York City. There are evidently many ways in which this can be done in a matter of days. All of them involve a considerable amount of planning but none of them require very much in the way of resources.

• (5:40 p.m.)

You will recall, Mr. Speaker, that thirty years ago even Hitler, with the power of a state behind him, took a considerable number of years to kill his first eight million victims. In the last 30 years the evolution in this power to wreak damage to society has been tremendous. I suggest that this new potency of terror must be borne in mind by the committee as another reason for giving careful consideration to the problem. The Minister of Justice has often referred to the delicate balance which exists between civil liberties on the one hand and the safety of the state on the other. I suggest that these new threats to the state have emerged which have not existed before in the history of civil liberties. It is valid, and indeed it is our responsibility to address ourselves to these dangers.

It should also be observed that the evolution of technology has produced a threat to civil liberties in addition to the threat to social order. We may now exercise the power of the state and of private interests in the state to gather information, to experience, to hear and to preserve. This situation and these powers created by technology demand our concern. Again, this is an area in which attention is required and in which the government is working.

The Committee will require the points of view, the attention and the participation of all the members of the House of all political parties. It is for this reason I particularly regret the decision announced, I hope tentatively, by the hon. member for Shefford (Mr. Rondeau) that his party does not intend to participate in the work of the committee. He gave as a reason the suggestion that the government had not given his party sufficient time to make recommendations and that the government did not wait for their recommendations before introducing the Public Order (Temporary Measures) Act. I have the record here, and I note it was indicated in the House that as of October 19 all parties had been asked to make suggestions concerning the form the legislation might take. It was not until November 2, almost two weeks later, that the public order act was introduced. Two weeks is not a tremendous period of time, but considering the circumstances it is perhaps unreasonable for the Social Credit party to assert that it should have had more time, bearing in mind as well that it was ample time for the Conservative party and the New Democratic Party to put forward their suggestions.

I suggest it is somewhat unfair for the Social Credit party to boycott the committee on the ground that it was not given sufficient time to make constructive suggestions. Aside from that, the members of the Social Credit party have a special interest in this legislation. It is of interest to them and to their supporters. It is true that their party is a minority party, but there are other concerned minority parties in the House. Certainly, the views of this party should be presented and taken into account by the committee in its consideration of the kind of legislation required in order to deal with violence.

I see my time is up, Mr. Speaker.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I propose to support the amendment moved by the hon. member for Calgary North (Mr. Woolliams) and also to vote against the original motion. I should like to express briefly my reasons for doing so. It seems to me it is quite impossible for the proposed committee to deal with the question of what legislation, if any, is required in the future to deal with the possibility of lawlessness and violence in the Canadian society endangering public order without the most careful review of the October crisis and the action taken in relation to it. The question inevitably arises concerning whether the War Measures Act was properly or improperly invoked and whether the Public Order (Temporary Measures) Act adopted by Parliament was or was not necessary. The real question which will face the committee is whether the situation

could not have been dealt with adequately by the firm and vigorous exercise by the police, with the assistance of the army, of the powers already conferred on them by the Criminal Code.

How can the committee advise concerning whether or not the War Measures Act requires amendment or partial replacement without determining whether its invocation in peacetime, at the time of the October crisis, was or was not necessary. It is my own firm conclusion that as a matter of fact there was no insurrection or apprehended insurrection which necessarily justified the invocation of the War Measures Act. This conclusion, if it is right, should be a guide to what is needed in the way of future legislation. My view on this matter may well not be accepted by others and the committee will perform a valuable role, if the resolution is passed, in reviewing the facts concerning the invocation of the War Measures Act. The War Measures Act, as the Prime Minister (Mr. Trudeau) and the Minister of Justice (Mr. Turner) have acknowledged, confers almost absolute powers, sweeping powers, which were not appropriate to the circumstances of October. However, it was used, but it was inappropriate and I believe the committee should determine why it was considered by the government to be appropriate. I think the Prime Minister and the Minister of Justice should be asked to give evidence before the committee to explain why they thought it was necessary then.

The vast powers conferred by the War Measures Act included temporary suspension of the constitution and of the constitutional rights of the provinces and of individuals. It enabled the complete abrogation of basic fundamental rights. It is clearly a measure which should be used only in time of clear imminent danger to the whole community. It is perfectly true, of course, that grave and serious events occurred in Quebec last October which required firm and perhaps drastic action, but they clearly did not amount to any insurrection or war. A handful of people amounting, so far as the information I have is concerned, to two cells of four or five members each were involved. This hardly constitutes an insurrection. I placed a question on the order paper asking what was the result of the searches conducted under the War Measures Act and the Public Order (Temporary Measures) Act. The reply was that 33 firearms and 21 offensive weapons were seized as of October 23, 1970 including shotguns, rifles, revolvers, other firearms, four bayonets, four machetes, nine hunting knives, one sabre and three smoke grenades. This is hardly evidence of an insurrection. If an insurrection were planned it was the worst planned insurrection anyone could apprehend. It seems to me it would be ridiculous to discuss legislation needed to deal with breaches of public order without examining in detail the most recent and up-to-date incidents, and the measures required to deal with them, in order to determine whether or not such drastic action was needed and to what extent the present Criminal Code would have been adequate.

I am opposed to the motion for at least two reasons. In asking that the committee report on the nature and kind of legislation required to deal with emergencies which may occur in the future, there is the assumption that such legislation is necessary. This begs the question. The question with which the committee should deal is whether the present legislation is adequate and whether further legislation, which will evidently be restrictive in nature, is really needed.

• (5:50 p.m.)

There is a respectable body of legal opinion in Canada which the committee should hear. It asserts that the present Criminal Code, with its provisions as to conspiracy, is quite adequate for the purpose of assuring public order. If this is so, the committee should be free to state that it is so, and the issue should not be prejudged by the terms of reference. Additional legislation cannot help but be used, however good its intentions, as an instrument of repression of fundamental rights.

The other reason that I object to the motion is that its emphasis is on one aspect of the matter, namely, the protection of public order. The committee is not asked to determine what is necessary to protect the rights of individuals. As the minister said in opening the debate, these two things should be balanced one against the other, but the motion is not balanced. It is an inquiry into the steps necessary to preserve public order. It does not include an inquiry, which I think it should include, into how, in times of stress and strain, fundamental rights of individuals can be protected. I think that the committee should have the power to look at the War Measures Act and to determine whether its terms are too broad, whether the powers conferred by it are too sweeping, and whether the circumstances under which it can be invoked are too loosely and broadly stated.

Another related matter which the committee should consider is the relationship between the War Measures Act and the proposed constitutional bill of rights which I hope will, before too long, be entrenched in the fundamental law of Canada, namely, the constitution of Canada. The present Canadian Bill of Rights is, in my opinion, inadequate. It provides that any act done under the War Measures Act shall not be deemed to be an abrogation of the provisions of the Bill of Rights. In other words, when the War Measures Act is invoked, as it easily can be invoked at any time, the Bill of Rights goes out the window and is silenced.

The purpose of the committee should clearly be spelled out, and the committee should be instructed to consider, among other things, how the rights of the individual may be maintained even in time of stress and disorder. The committee should have the authority to recommend legislation and indeed, if need be, a constitutional amendment which emphasizes the rights of the individual as well as the rights of the community. The present motion seems to limit the committee in this regard. It is unbalanced and therefore dangerous to the liberties of Canadians, and we cannot support it.

In my view, the most important task of the committee would be to consider the relationship between the War Measures Act and the Bill of Rights, so that the public safety and individual rights may be reconciled as well as possible.

Royal Assent

THE ROYAL ASSENT

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

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this Honourable House in the chamber of the honourable the Senate.

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

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

An Act to amend the provisions of the Criminal Code relating to the release from custody of accused persons before trial or pending appeal,

An Act to establish the Textile and Clothing Board and to make certain amendments to other Acts in consequence thereof,

An Act to provide for the examination, publication and scrutiny of regulations and other statutory instruments.

* * *

BUSINESS OF THE HOUSE

Mr. Crouse: Mr. Speaker, may I ask what will be the business of the House tomorrow?

Mr. Francis: I believe this will be communicated by the House leader through discussions. I understand there are some discussions intended.

Mr. Speaker: It being after six o'clock, I do now leave the Chair. This House stands adjourned until two o'clock tomorrow afternoon.

It being seven minutes after six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, May 20, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT AND COMMUNICATIONS

Fourth and fifth reports of Standing Committee on Transport and Communications, in the two official languages—Mr. Lessard.

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

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[*English*]

MANPOWER

TABLING OF SUMMER EMPLOYMENT SURVEY OF POST-SECONDARY STUDENTS, 1970

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I wish to table under Standing Order 41(2) the summer employment survey of post-secondary students in Canada 1970, in both official languages.

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PENITENTIARIES

KINGSTON RIOT—ROLE OF SOLICITOR GENERAL—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Arnold Peters (Timiskaming): Mr. Speaker, under Standing Order 43 I ask for unanimous consent to make a motion of urgent and pressing necessity based on statements about the Solicitor General made by law professor Desmond Morton and evidence of continuing disturbances at Millhaven and today at Dorchester. I move:

That the Committee on Justice and Legal Affairs be empowered to inquire into the role of the Solicitor General in the recent disturbances at Kingston penitentiary.

Mr. Speaker: Hon. members have heard the motion which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Yes.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put. Oral question period.

Mr. Sharp: Mr. Speaker, did you call motions?

Mr. Speaker: Yes, motions were called a few minutes ago. We would require the consent of the House to revert to motions. Is there unanimous consent?

Some hon. Members: Agreed.

• (2:10 p.m.)

EXTERNAL AFFAIRS

TABLING OF U.S.S.R.—CANADA PROTOCOL ON CONSULTATIONS

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I should like to table copies in English and French of the U.S.S.R.-Canada Protocol on Consultations which was signed in Moscow on May 19 by the Chairman of the Council of Ministers of the U.S.S.R. and the Prime Minister of Canada.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

NATO PROPOSAL FOR BALANCED FORCE REDUCTIONS IN CENTRAL EUROPE—NATURE OF DISCUSSIONS BETWEEN PRIME MINISTER AND SOVIET GOVERNMENT

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I think it may be understandable that the Acting Prime Minister forgot to table that document. I would like to ask him a question about the discussions regarding NATO going on in Moscow and specifically whether the subject being discussed is a reduction of troops or a reduction of troops within a certain area—in other words, a withdrawal of troops?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the NATO powers did make a proposal at their last meeting that there should be discussions on mutual and balanced force reductions, particularly in central Europe. The Soviet Union has now apparently indicated that it wishes to have negotiations on this question. The nature of these negotiations, of course, is very complex. The purpose is to try to reduce the confrontation now existing in central Europe without in any way affecting the balance of power.

Mr. Stanfield: Mr. Speaker, I would like to ask the Acting Prime Minister whether the government of Canada is actively considering a further reduction unilaterally in its NATO troops in Europe as opposed to a joint reduction, or joint withdrawal by the NATO organization?

Mr. Sharp: No, Mr. Speaker, the government of Canada is neither actively nor otherwise discussing or considering any reduction beyond the point that was announced some months ago and that has now been accepted.

Mr. Stanfield: I would like to ask the Acting Prime Minister whether the Prime Minister in fact has under-

taken to act as a mediator between the Warsaw Pact countries and the NATO countries with regard to achieving a balanced reduction of forces?

Mr. Sharp: No, Mr. Speaker. As the Leader of the Opposition perhaps knows, the Prime Minister has indicated quite definitely that he is not intending to play any such role.

CANADIAN RESPONSE TO RUSSIAN INTIMATION REGARDING NEGOTIATION OF TROOP REDUCTIONS

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I would like to ask the Acting Prime Minister if he knows what was the basic answer of the Prime Minister to Mr. Brezhnev's alleged statement in order to test out the U.S.S.R. in regard to the seriousness of its proposals for troop reductions? Was there any answer from the representative of Canada or did it just pass off without answer?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think we shall have to await until the Prime Minister's return, but I am quite sure he dealt with this question just as adequately, as enthusiastically and as successfully as he deals with answers to questions in Canada.

PROTOCOLS BETWEEN RUSSIA AND OTHER COUNTRIES ON CONSULTATION—REQUEST FOR STATEMENT ON U.S.S.R.—CANADA AGREEMENT

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Acting Prime Minister whether he has any knowledge of what other countries have agreements similar to this protocol that Canada now has with the U.S.S.R.? Also, because of the importance or apparent importance of this agreement and its effect internationally so far as Canada is concerned, would he be prepared to make a statement in reference to the agreement in order to give us some fill-in on what actually took place?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am quite sure that when the Prime Minister returns he will give the House a report. I have today tabled the text of the protocol which indicates the scope and nature of the consultations that we have undertaken to have between our two countries. In answer to the first question, I know of at least one country that has a similar agreement with the Soviet Union, and that is France.

Mr. Speaker: The hon. member for Egmont rises on a point of order.

Mr. MacDonald (Egmont): Mr. Speaker, because of the importance of this document I wonder whether the Secretary of State for External Affairs would agree to have it appended to *Hansard* so that everyone will have an opportunity to read it, rather than just tabling it.

Mr. Sharp: If that is agreeable to the House, Mr. Speaker, have no objection. I think it is an historic and important agreement.

[Mr. Stanfield.]

Mr. Speaker: Is there agreement that the document in question be appended to *Hansard*?

Some hon. Members: Agreed.

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

POSSIBLE AGREEMENT BETWEEN CANADA AND PEOPLE'S REPUBLIC OF CHINA RESPECTING CONSULTATION

Mr. J. P. Nowlan (Annapolis Valley): I have a supplementary question for the Secretary of State for External Affairs which is perhaps the converse of the question put to him by the hon. member for Calgary North. Other than the countries that Russia has such agreements with, does the Secretary of State for External Affairs know of any intention in his department to have protocols or agreements, similar to the one signed with Russia, with other countries?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I am sure the hon. member knows, we have much more extensive machinery for consultation with, for example, the United States, Japan and the United Kingdom. This protocol dealing with consultation does not, of course, go nearly as far as the existing understandings we have with our older friends and allies.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Annapolis Valley on a further supplementary and then go to the next subject and recognize the hon. member for Timiskaming.

Mr. Nowlan: While I fully appreciate the minister's reply as far as countries like Great Britain and France are concerned, I am really thinking of China, a country which has recently been recognized by Canada and one of the newer countries on the world scene. Does the minister anticipate that Canada will make overtures to have such a protocol signed on the same terms as the one with Russia in order to get exchanges flowing back and forth?

Mr. Sharp: Mr. Speaker, I hope the hon. gentleman agrees that we have taken the first step in trying to bring about better relations between China and Canada and China and the rest of the world by entering into diplomatic relations with the Peking régime. What will happen in the future I am not sure, but I hope there will be the kind of improvement in relations between that country and Canada and the rest of the world that we all hope for.

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PENITENTIARIES

DORCHESTER—REQUEST FOR REPORT ON DISTURBANCE—DEPARTMENTAL INQUIRY

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Solicitor General if he has any report to make to the House on the disturbance which took place at Dorchester penitentiary today?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, order has been restored since ten o'clock this morning. All prisoners have returned to their cells and the situation is under control.

[*English*]

Mr. Peters: How many prisoners have been injured at Dorchester and what is their condition?

[*Translation*]

Mr. Goyer: Mr. Speaker, during the troubles, a number of prisoners tried to escape and the guards fired shotguns to warn them that they would be penalized. A few pellets hit two inmates who were carried to the hospital, taken care of, and sent back to their cells. A third inmate came out on his own from the place where a fight had apparently broken out among prisoners. This prisoner was carried to the hospital outside the penitentiary so as to be X-rayed to check the extent of his wounds.

[*English*]

Mr. Peters: Mr. Speaker, I should like to ask the Solicitor General if it is his intention to have a departmental inquiry into the reasons why prisoners from the assembly hall within the institution itself were wounded?

[*Translation*]

Mr. Goyer: Mr. Speaker, we will follow standing practice under the Penitentiary Act. The Commissioner will appoint a board of inquiry to investigate the causes of those riots.

Hon. Martial Asselin (Charlevoix): I have a supplementary question, Mr. Speaker.

Can the Solicitor General tell the House what causes brought about the riots in this penitentiary?

Mr. Goyer: Mr. Speaker, there was no committee of inmates properly speaking, but some inmates handed us a document outlining their complaints. I could enumerate some of these, such as the fact that they had pork three times within the same week, that there are not enough classification offices, that salaries within the penitentiaries are inadequate, that clothing, and the type of clothing should be changed, that inmates do not get prompt replies to their applications for medical examinations, that they object to Parliament's having passed an act making probation compulsory.

Mr. Réal Caouette (Témiscamingue): I have a supplementary, Mr. Speaker.

Concerning clothing, would the Solicitor General be prepared to recommend tailcoats, for instance?

[*English*]

Mr. Speaker: Order, please. The hon. member for Egmont.

Inquiries of the Ministry

REQUEST FOR TABLING OF DORCHESTER PRISONERS' COMPLAINTS AND PUBLIC INQUIRY INTO CAUSES OF DISTURBANCES

Mr. David MacDonald (Egmont): A supplementary question, Mr. Speaker. Before I ask my supplementary question I wonder if the Solicitor General would agree to table the document containing all the requests outlined by this group of prisoners. My question is, in view of the alarming number of incidents that have taken place in federal institutions in the past few months of a similar nature, is the government or the minister's department now prepared to establish a full public inquiry into the nature of these problems so that their basic causes can be dealt with?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, as for the prisoners' demands, I have listed them; there are a few other personal requests.

In answer to the hon. member's question, I will repeat what I have already stated in the House, that the government plans to carry out a systematic, progressive and dynamic program in the penitentiary field. This program will be set up, through the co-operation of the prisoners as well as that of the wardens and the people. As far as prisoners are concerned, they have nothing to gain by resorting to violence or by fostering disturbance, because it can only delay the implementation of essential reforms.

[*English*]

Mr. MacDonald (Egmont): Does this mean that the Solicitor General is not planning any kind of public inquiry and that there will not be any information or public disclosure with respect to the serious problems in these federal institutions in order that there may be effective public discussion before decisions are taken by the government with regard to possible changes?

[*Translation*]

Mr. Goyer: Mr. Speaker, we do not need disturbances or violence to know what to do. We are willing to meet with prisoners, to discuss with them and to inform them of our intentions. In fact, we took measures before the riots at Kingston and Dorchester, and we shall continue to take action. If the prisoners—

Mr. Speaker: Order. I must interrupt the hon. Minister.

[*English*]

Order, please! It seems to me we are entering the field of debate at this point. The Chair will recognize the hon. member for Winnipeg North on a supplementary. That will be the only supplementary allowed at this time and then the Chair will recognize the representative of the political group to my extreme left.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Solicitor General has stated that he has a list of complaints from the prisoners at Dorchester. Did he not have it two days ago when he told the members of the Standing Committee on Justice and Legal Affairs that things in Dorchester were working out quite well?

Inquiries of the Ministry

[*Translation*]

Mr. Goyer: Mr. Speaker, I have never said anything of the kind. I have no crystal ball to predict what will happen in Canadian penitentiaries.

* * *

MANPOWER

QUEBEC—PURCHASE OF MANAGEMENT COURSE FOR FARMERS AND WIVES

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Manpower and Immigration.

Can the minister tell us whether or not agricultural training and management courses will be available to Quebec farmers next year, or whether negotiations are under way with the province of Quebec with regard to the purchase of courses for farmers?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, negotiations generally are going on with the various provinces in connection with the appropriate purchase of courses. I will be glad to ascertain for the hon. member whether these specific courses are now included in next year's set of courses to be purchased in that province.

[*Translation*]

Mr. Laprise: Mr. Speaker, I want to put a supplementary question.

In order to allow these farmers' wives to contribute more to the success of the farm, would the Minister of Manpower and Immigration negotiate with the province of Quebec the purchase of training and farm management courses for the wives of farmers?

[*English*]

Mr. Lang: Mr. Speaker, the standing practice has been that farm wives as well as farmers could be included in the management courses. The only rule upon which the department intends to operate is that two members of the same farm family should not be on a course as long as there are others who have not taken the courses, desire to do so and are capable of taking advantage of them.

[*Translation*]

Mr. Laprise: Mr. Speaker, I want to put another supplementary question.

Would the minister consider that on a farm, the farmer's wife takes part also in the management of the farm and that she should enjoy also the same advantages—

Mr. Speaker: Order. The hon. member has made a suggestion or a representation and he must take it for granted that it will be considered by the minister.

Mr. André Fortin (Lotbinière): Mr. Speaker, as the minister said that it is not possible for two members of the same family to follow the same course, does he intend to bring changes to the legislation or to initiate discussions with the province of Quebec in order to enable two members of a family to follow the same course?

[*English*]

Mr. Lang: Mr. Speaker, I would like to say once again that there is no rule against wives taking these courses. The only practical rule which is in place and which I think is perfectly appropriate is that under ordinary circumstances the course will be offered to one member of any farm family before it is offered to two members of the same farm family. That seems to me to make perfectly good sense. Whoever is doing the farm management work can take advantage of the course.

* * *

SPORTS

HOCKEY—RESEARCH ON PROTECTIVE HEADGEAR—ENFORCEMENT OF STANDARDS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of National Health and Welfare. In view of the recent deaths that have occurred among hockey players because of inadequate protective headgear and the comments by Dr. Noble as the result of a recent death in Ontario, is the minister taking any action to encourage research, to establish headgear standards and to force compliance with these standards?

Mr. Speaker: Order, please. The question asked by the hon. member is, of course, of great importance, but I wonder whether it should not normally be placed on the order paper. Perhaps the minister might reply quickly and we will then go on to the next subject. If the hon. member should wish to pursue the matter thereafter, he might give notice for consideration at the time of adjournment.

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would advise the hon. member that a subcommittee met as late as last Friday and has been working on the matter for some time. A subcommittee of the Canadian Standards Association is testing the helmets of about five different manufacturers. They will be making a recommendation with regard to a particular helmet if it proves to be satisfactory. The other charges by the gentleman to whom the hon. member referred are completely inaccurate.

Mr. Marshall: In view of the fact that young hockey players tend to emulate NHL players, is the minister going to meet with the NHL and the Canadian Amateur Hockey Association to discuss this problem and see if they will lead the way in the use of protective headgear?

Mr. Munro: Mr. Speaker, as soon as we are entirely satisfied as to the worth of the particular helmets to the degree that they have been scientifically approved, I think that matter could be referred to Hockey Canada to take up with the NHL.

REQUEST FOR STATEMENT ON CANADIAN POSITION IN INTERNATIONAL HOCKEY AND ROLE OF HOCKEY CANADA

Mr. Mark Rose (Fraser Valley West): I have a supplementary question for the Minister of National Health and Welfare. In view of the fact that the excitement of the Stanley Cup series is now behind us, will the minister be prepared to make a statement on motions soon to clarify Canada's position in international hockey and certain major domestic issues such as the role of Hockey Canada?

Hon. John C. Munro (Minister of National Health and Welfare): I will be pleased to do so, Mr. Speaker.

* * *

UNEMPLOYMENT INSURANCE

SUSPENSION OF SEASONAL BENEFITS—OTHER ASSISTANCE TO UNEMPLOYED

Hon. George Hees (Prince Edward-Hastings): My question is for the Minister of Labour. In view of the minister's statement outside the House yesterday that the $35 million needed to extend seasonal unemployment insurance benefits can be better used to help the unemployed, to what program of assistance to the unemployed does the government intend to apply this $35 million?

Hon. Bryce Mackasey (Minister of Labour): The point I made outside the House and inside the House, if the hon. member wants to read *Hansard,* was that if we extend seasonal benefits at a cost of $35 million we have no way of knowing precisely what portion of that $35 million will go to those unemployed people who are entitled to some extra help because, fortunately, we do not and never should include a means or needs test as one of the reasons for receiving unemployment insurance. So in extending seasonal benefits to everybody receiving unemployment insurance we would obviously be extending them to many people who do not need extra financial assistance. The hon. member cannot have it both ways. He cannot criticize the plan for not adhering to the insurance principle and simply being a welfare fund.

Mr. Speaker: Order, please.

Mr. Hees: As so often happens, the statement the minister made outside the House is different from the one he made inside the House.

Some hon. Members: Oh, oh!

Mr. Hees: He knows that is so. In light of the statement he made outside the House to the effect that the $35 million could be better used for programs to help the unemployed, may I ask on what particular program the government intends to spend this sum?

Mr. Speaker: The hon. member for Oshawa-Whitby.

Mr. Hees: On a point of order, the minister was just on the point of rising.

Mr. Speaker: Order. The Chair was just on the point of recognizing the hon. member for Oshawa-Whitby.

Mr. Edward Broadbent (Oshawa-Whitby): I trust your decision will prove to be a wise one, Mr. Speaker. I have a supplementary for the Minister of Labour. Would the minister mind explaining in greater detail the statement he just made?

He said that the $35 million might be wasted and yet the minister knows full well that—

Mr. Speaker: Order, please. I regret to interrupt the hon. member but it seems to me, with respect to both the hon. member for Oshawa-Whitby and the hon. member for Prince Edward-Hastings, that they are inviting the minister to make a general statement of a kind which ought normally to be made on motions.

Mr. Hees: On a point of order, I did not ask the minister to make a statement. I asked him to name the program that he wished to spend the $35 million on.

Some hon. Members: Order, please.

Mr. Mackasey: I rise on a point of order. What I said in the House yesterday—

Mr. Hees: I said "outside the House".

Mr. Speaker: Order, please. The minister should resume his seat. I suggest to him and to both hon. members who have been asking these questions that this is a matter of debate. The hon. member for Prince Edward-Hastings may disagree, but as I interpret the matter they are inviting the minister to make a general statement which ought not to be made at this time. If the minister wishes to make a statement of this kind, I suggest he make it on motions. It is just as simple as that. There may be other supplementary questions in connection with this important matter and I have no intention of preventing hon. members from asking them. For the moment I will recognize the hon. member for Oshawa-Whitby.

Mr. Broadbent: Given the fact that to be eligible for seasonal benefits people must meet certain specific criteria, can the minister explain what he means by saying that the $35 million that would be spent on such people if the benefits were extended would be wasted or not paid to people who actually need the money, if in fact they must meet certain criteria in order to get it?

Mr. Mackasey: On the contrary, there are no criteria. The condition they must meet is one which offers much more latitude than at any other time of the year. I hope the hon. member is not implying that seasonal benefits are extended only to those working in specific occupations.

Some hon. Members: Oh, oh.

Mr. Speaker: Order, please.

Inquiries of the Ministry

EXTERNAL AFFAIRS

SUGGESTED SUSPENSION OF ADDITIONAL FOREIGN AID UNTIL UNEMPLOYMENT IN CANADA DECREASES

Mr. W. B. Nesbitt (Oxford): I have a question for the Acting Prime Minister in his capacity as Secretary of State for External Affairs. In view of the announcement yesterday that additional foreign aid is to be extended, I wonder whether the government would undertake not to extend any additional foreign aid until such time as unemployment in Canada begins to decrease?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer to that question is a definite no.

Some hon. Members: Hear, hear!

Mr. Sharp: I am surprised the hon. gentleman should take such a view. I thought the view of his party was that it is one of our responsibilities to increase the flow of international aid, but if that is not the case I am glad to know it.

Mr. Nesbitt: On a question of privilege, I simply asked the minister whether he would withhold such increases until our economic situation has begun to improve.

* * *

WELFARE

ONTARIO INTENTION TO TIGHTEN ADMINISTRATION AFFECTING YOUNG PEOPLE—CONSULTATION WITH FEDERAL MINISTER

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the statement made yesterday by the Minister of Social and Family Services for Ontario, the Hon. Thomas Wells, to the effect that the Ontario government intends to tighten up its welfare administration particularly where young people are concerned, and in view of the fact that money for welfare purposes is paid in part by the federal government under the Canada Assistance Plan, may I ask whether there have been consultations between the minister and the Ontario authorities with respect to this matter?

Hon. John C. Munro (Minister of National Health and Welfare): There has been no consultation with respect to the particular statement the hon. member has noted. I am not sure that every time a provincial minister wishes to make a statement of that kind he should have to consult with the federal government. We are more concerned with the practices under the Canada Assistance Plan as distinct from statements.

Mr. Knowles (Winnipeg North Centre): May I ask a supplementary question, Mr. Speaker. In view of the fact that Mr. Wells said in his statement that he intends to ask the federal government to amend the Canada Assistance Plan, may I ask whether the government has kept in touch with this aspect of the situation?

[Mr. Speaker.]

Mr. Munro: I saw Mr. Wells fairly recently and this matter was not raised at the time. If he wishes to talk it over with me he is free to do so at any time. He may raise it, if he desires, at the next meeting of the federal-provincial welfare ministers, which is not too far off.

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NATIONAL SECURITY

REFUSAL TO PAY RANSOM MONEY TO KIDNAPPERS OF LATE PIERRE LAPORTE

Mr. Eldon M. Woolliams (Calgary North): I should like to direct a question to the Minister of Justice. In light of the statement now made by Jacques Sauriol that some ransom money was paid to the kidnappers in the case of Mr. Cross, can the minister tell us whether the Prime Minister or any member of the government refused to take the same action in the case of the late Mr. Laporte?

Hon. John N. Turner (Minister of Justice): I will have to take the question as notice. I have not seen that statement.

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[*Translation*]

FINANCE

INTEREST-FREE LOANS TO DEVELOPING COUNTRIES—REQUEST FOR SIMILAR AID TO UNDERDEVELOPED REGIONS OF CANADA

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a supplementary question for the Acting Prime Minister.

He indicated in a previous answer that aid to underdeveloped countries would not be reduced despite the serious situation that now exists in Canada. I entirely approve of his attitude; nevertheless, I shall ask him the following question: Does the government intend to assist underdeveloped areas in Canada by granting them interest-free loans, as we do for underdeveloped countries of the third world?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): To that question, Mr. Speaker, the answer is no, but of course all equalization grants which are made to the provinces and most of the assistance given to underdeveloped parts of the country carry no interest charge whatsoever.

AMENDMENT OF LEGISLATION AFFECTING BUSINESS, FARM AND FISHING LOANS TO MAKE LOANS MORE EASILY AVAILABLE

Mr. John Lundrigan (Gander-Twillingate): May I ask the Minister of Finance whether, in view of the negative reply by the Acting Pime Minister to the question asked by the leader of the party to my left, he has any plans to amend the three specific loan acts having to do with

business, farming and fishing in order to make loans more easily available, bearing in mind the fact that in the slow growth areas of Canada they are least available at the moment?

Hon. E. J. Benson (Minister of Finance): I have received no complaints about these three acts in recent months from anyone, including the hon. member.

Mr. Lundrigan: A report issued by the minister's office only a few days ago indicates that only two or three loans per quarter were being made to one province and very few to the whole Atlantic region. In view of that report, which certainly is evidence that these acts are not being made use of, would the minister investigate and consult with his parliamentary secretary who is thoroughly familiar with the ineffectiveness of this program?

Mr. Speaker: Order. The hon. member is inviting the minister to look into a situation and he has to assume the minister will do so.

[*Translation*]

SUGGESTED INTEREST-FREE LOAN TO QUEBEC BY BANK OF CANADA

Mr. Speaker: Would the hon. member for Témiscamingue like to put a supplementary question?

Mr. Réal Caouette (Témiscamingue): Yes, Mr. Speaker.

The Acting Prime Minister has stated a while ago that in Canada gifts are given but no loans are made. Now, recently, the premier of Quebec went to the United States to borrow $75 million at 9¼ per cent interest and I would like to ask the Acting Prime Minister if the Canadian government is willing through the Bank of Canada to grant interest-free loans to Quebec?

* * *

[*English*]

AGRICULTURE

FARM MACHINERY—IMPLEMENTATION OF COMMISSION RECOMMENDATION RESPECTING MANUFACTURE IN CANADA—CLARIFICATION OF STATEMENTS ON COMPANY PROFITS

Mr. Don Mazankowski (Vegreville): I should like to direct a question to the Minister of Industry, Trade and Commerce arising from the Barber Commission report on farm machinery. One of the major recommendations in the report suggests that more encouragement should be given to the development and manufacture of farm machinery in Canada. I should like to ask the minister whether he has had consultations with the Minister of Agriculture on this important recommendation, and can he indicate what initiatives his department is taking in this regard?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, as far as I am concerned the report is being studied now. I have had no consultations on this particular topic, with the Minister of Agriculture but in due course I am certain I will.

Mr. Mazankowski: Mr. Speaker, I should like to direct a supplementary question to the Minister of Agriculture in regard to the Barber Commission report. In view of the fact that after obtaining all of the facts pertaining to the machinery industry the commission has seen fit to withdraw its charge that the machinery companies have been making handsome profits, is the minister taking any steps to have this misleading statement clarified since it has had an adverse reflection upon domestic manufacturers in Canada?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not think that any member of the government made that statement, and I do not believe it is the responsibility of members of the government to ask other people to withdraw what may be their opinion.

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FINANCE

INQUIRY AS TO RETURN TO PEGGED DOLLAR

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. In view of the growing number of nations either floating their currencies or considering doing so, and in view of the consequent fear of the breakdown of the present monetary safeguards that have been so laboriously built up, does the government now intend to return soon to a pegged dollar?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, this is a question that I obviously cannot answer.

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AGRICULTURE

FARM MACHINERY—COMMISSION RECOMMENDATION FOR ESTABLISHMENT OF RESEARCH FACILITIES IN OTHER COUNTRIES

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, I have a question for the Minister of Agriculture supplementary to the one asked by the hon. member for Vegreville and it concerns research. In view of the suggestion made in the Barber Commission report that the Canadian International Development Agency might establish farm machinery research facilities in other countries where we are either selling or hoping to sell farm machinery, would the government also look at this possibility?

Hon. H. A. Olson (Minister of Agriculture): May I repeat the statement that I made, Mr. Speaker, when I tabled the report, that we have already moved to enhance the activities of our research department respecting agricultural engineering.

Inquiries of the Ministry

ROYAL CANADIAN MINT

INQUIRY AS TO CLOSURE AND TRANSFER OF OTTAWA FACILITIES

Mr. Robert C. Coates (Cumberland-Colchester Hants): Mr. Speaker, I have a question for the Acting Prime Minister. Is the Acting Prime Minister in a position to inform the House whether it is the intention of the federal government to close out the Royal Canadian Mint in Ottawa and to transfer its facilities to another area of Canada?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, I have heard no such suggestion.

Mr. Coates: I wonder whether the Acting Prime Minister would check into this and also inform the employees of the Royal Canadian Mint that their employment there will not be jeopardized?

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EXTERNAL AFFAIRS

POSITION OF SOVIET UNION RESPECTING TROOP WITHDRAWALS AND REDUCTIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to return for a moment to the question of troop withdrawals. Can the Acting Prime Minister indicate very briefly the nature of the change that he suggests has taken place in the position taken by Russia regarding troop withdrawals, as it was my distinct impression last summer that at that time the government of Russia was prepared, indeed anxious, to discuss troop withdrawals but regarded troop reductions as a global rather than a European matter?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I hope the recent willingness of the Soviet Union to discuss mutual balanced force reductions means what it says, and that there has been an advance in the Soviet position.

Mr. Stanfield: Mr. Speaker, can the Acting Prime Minister indicate what he considers to be the nature of the change in the position of Russia, as I think this is important to all of us?

Mr. Sharp: Mr. Speaker, I think it would take me some time to do this on questions. There will, of course, be an opportunity to discuss this matter at very great length at the forthcoming meetings of the NATO powers in Lisbon, when I am sure this will be one of the major topics of conversation. The question is a very difficult one. As I said earlier, what we have to ensure is that in the process of mutual balanced force reductions there is a maintenance of the present balance; otherwise, neither side would agree.

Mr. Stanfield: Mr. Speaker, in view of the importance of this question to the understanding of all of us, would the Acting Prime Minister take an early opportunity on motions simply to explain to us the change in position as he understands it? Certainly it is not clear to any of us at the moment.

Mr. Sharp: Yes, Mr. Speaker, I will have a look at the statement made by the Soviet Union last year and their latest statement, and if possible in some way provide information to the House.

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FISHERIES

PROTECTION OF CANADIAN VESSELS FROM HARASSMENT BY UNITED STATES COASTGUARD

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Secretary of State for External Affairs concerning certain activities of the United States coastguard, with whom we usually expect and normally enjoy very good co-operation. In light of the fact that a Canadian vessel and Canadian citizens were recently harassed by elements of the U.S. coastguard in Canadian territory and forced to flee for sanctuary to the port of Prince Rupert, and in light of the fact—

Mr. Speaker: Order, please. I wonder whether the hon. member would ask his question; we are running short of time.

Mr. Barnett: Mr. Speaker, this is a matter of some delicacy internationally and I want to be sure that the Secretary of State for External Affairs understands exactly what I am asking. In light of the fact that the Minister of Fisheries, both in the House and in the committee this morning, said that Canadians can fish in these waters, I should like to ask the Secretary of State for External Affairs whether, if this vessel or others return to these waters, they can in fact be assured of enjoying adequate protection from Canadian patrols of one kind or another?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, we claim that these are Canadian waters. Therefore we have told Canadian vessels that they can fish in these waters. We would assume that even though there is some dispute—the United States has not accepted this position—there will not be harassment of Canadians.

NEGOTIATIONS WITH FRANCE ON ACTIVITIES IN CANADIAN WATERS—REQUEST FOR STATEMENT FOLLOWING CONCLUSION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. At the present time there are important discussions being held between representatives of the French and Canadian governments on the question of Canada's right to exert authority over our fishing resources and the phasing out of fishing operations in waters coming within our jurisdiction, such as the Gulf of St. Lawrence. In view of the serious decline in our fishing resources, will the minister be making a state-

ment on motions at the conclusion of these talks so that fishermen in Atlantic Canada will be made aware whether any progress has been made?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker, I think it would be possible to make a statement. I do not know how much progress may be made and what the nature of this statement might be but, as the hon. member says, we are now having discussions with representatives of the French government and I hope that we can make good progress.

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INDUSTRY

MAINTENANCE OF OPERATION OF McBEAN COAL MINE

Mr. Robert Muir (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Acting Prime Minister. In view of the fact that the by-election in Central Nova is only ten days away, can the Acting Prime Minister advise how soon an announcement will be made as to whether a grant will be made to keep the McBean mine in operation?

Mr. Speaker: Order please. The hon. member will realize that he cannot ask a question in those terms.

Mr. Muir: Then may I rephrase it, Mr. Speaker. In view of the fact that these coal miners, 200 of them, have been waiting upon an announcement by this government in regard to a grant to continue this coal mine in operation, on which the livelihood of the miners, their wives and families depends, and since the announcement has not been made up to the present time, may I ask the Acting Prime Minister whether it will be made prior to May 31, or after May 31?

Hon. Mitchell Sharp (Acting Prime Minister): Quite frankly, Mr. Speaker, I do not know, but I am sure my hon. friend would not want to suggest that we would make this announcement at a time that would be favourable to the government candidate.

Mr. Muir: A supplementary question.

Mr. Speaker: Order. I bring to the attention of hon. members that the question period has just about expired. I should like to recognize the hon. member for St. John's East on a supplementary and then the hon. member for Vancouver-Kingsway, but I would suggest this is all we have time for. For the moment I will recognize the hon. member for Cape Breton-The Sydneys.

Mr. Muir: Mr. Speaker, I would hope the foreign aid which is available and about which the minister spoke would be available to these coal miners. How long is this government going to play a political cat and mouse game with these 200 coal miners?

Mr. Speaker: Order, please.

Inquiries of the Ministry

HEALTH

ALLEGED USE OF STALLING TACTICS TO PREVENT ABORTION APPLICATION BEING DEALT WITH

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Justice. In view of the fresh complaint of Dr. Byron Hyde of Riverside Hospital that stalling tactics are being consistently used to prevent abortion cases from coming before their review board, and in view of the fact that his applications on May 3 involving three young women, one of them 15 years of age, were delayed until May 19 and then cancelled, will the minister consult with the minister in charge of hospitals in Ontario to see what can be done about this dangerous and indefensible roadblock?

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[*Translation*]

INDUSTRY

SHOES—QUEBEC—MEETING OF FEDERAL AND PROVINCIAL MINISTERS

Mr. Roland Godin (Portneuf): Mr. Speaker, I wish to direct my question to the Minister of Industry, Trade and Commerce (Mr. Pépin).

Whereas last May 6 the Quebec Minister of Industry and Commerce promised that he would come to Ottawa and discuss with his counterpart the closing down of shoe factories, would the Minister of Industry, Trade and Commerce inform this House whether such a meeting has been held and if so, whether a solution to this problem has been developed?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I myself went to Quebec City to accommodate my provincial colleague and we are now both working on possible measures which could help this industry.

* * *

[*English*]

FISHERIES

NEGOTIATIONS WITH FRANCE ON ACTIVITIES IN CANADIAN WATERS—LEVEL OF CANADIAN REPRESENTATION—SCOPE OF DISCUSSIONS

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Secretary of State for External Affairs at what level his department is represented in the talks today with the representatives of France regarding the phasing out of French fishing activities. Perhaps at the same time he might permit me to ask if our delegation is putting forward a position regarding the continental shelf and the jurisdiction of France over the French islands of St. Pierre and Miquelon?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the Canadian government is represented at a level comparable with the French delegation. The question of the continental shelf is not under discussion. This meeting relates purely to fishing.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, on a Thursday point of order, I should like to ask the President of the Privy Council about the business for the rest of this week and for next week.

Mr. MacEachen: Mr. Speaker, we shall begin today with the pilotage legislation and when that is completed we will continue the discussion on the Wheat Board Act amendments. Tomorrow will be an opposition day. On Tuesday and Wednesday next week I propose to call government legislation beginning with the government organization bill and, hopefully, the Judges Act. Thusday and Friday of next week will also be opposition days.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as a supplementary question may I draw to the attention of the President of the Privy Council the extreme difficulty some of the standing committees are having in dealing with the business assigned to them, much of which has to be dealt with by the end of the month. Therefore, may I ask whether consideration will be given to adjourning the House for one or two days between now and the end of May so that the committees may complete their important work?

Mr. MacEachen: Mr. Speaker, I shall be glad to consider any change in practice that would assist in accelerating the business before the House and before the committees. I will be glad to discuss that further with the other House leaders.

Mr. Marshall: On a point of order, Mr. Speaker, perhaps the President of the Privy Council would take particular note of the fact that both the chairman and vice-chairman of the Committee on Health, Welfare and Social Affairs were not in attendance this morning which meant that the National Capital Commission witnesses had to leave and therefore a lot of time was wasted. The minister should investigate this type of situation.

Mr. MacEachen: Mr. Speaker, I was aware of the unfortunate occurrence because of the absence of the chairman and vice-chairman. I must say that the general attendance at the committee from all sides of the House was very impressive this morning.

Mr. McGrath: Mr. Speaker, regarding the point of order I raised a few days ago perhaps this might be a good time to direct it to the government House leader and ask him whether he has taken up with the organization committee the question of whether or not it is legal for standing committees of the House to sit and hear witnesses without a quorum?

Mr. MacEachen: Mr. Speaker, it is not the job of the House leader to rule on points of order.

Mr. Mazankowski: Mr. Speaker, I have a point of order arising out of the answer the Minister of Agriculture gave me this afternoon. The minister stated he had no intention of clarifying the conflicting statements which appeared in the two versions of the Barber Commission report, one of which referred to the machinery companies making handsome profits whereas the one in the final report suggested that the machinery companies were making merely moderate profits. I suggest that because this commission is a government appointed commission the minister certainly has a responsibility to clarify these misleading statements. I would ask—

Mr. Speaker: Order, please. That is hardly a point of order, I suggest with respect to the hon. member for Vegreville. It may be a good point of argument. I gather we will all be back here tomorrow and the hon. member might ask the question again then.

Mr. Mazankowski: On a point of order, Mr. Speaker, I did not want to use up the time of the question period. I know how precious it is.

Mr. Speaker: This is not very helpful. If hon. members ask questions after the question period in order not to use up the time of the question period I am not sure where this will lead us. After the question period ends there should be no further questions asked unless by consent of the House. Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

PILOTAGE ACT

MEASURE TO PROVIDE FOR ESTABLISHMENT OF PILOTAGE AUTHORITIES AS PROPRIETARY CORPORATIONS

Hon. Donald C. Jamieson (Minister of Transport) moved that Bill C-246, respecting pilotage, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: Mr. Speaker, the objective of the bill is to provide the greatest possible degree of safety for ships which move through Canadian coastal and inland waters. In general, the recommendations made by the Royal Commission on Pilotage have been followed in the presentation of the act and while there is a considerable number of differences in regard to matters of detail, 36 of the 39 major recommendations made by the Royal Commission have been accepted.

By the establishment of four regional authorities, it is expected that the decentralization of the administration of pilotage services will be effected to the greatest possible degree. This is in keeping both with the recommendations of the Royal Commission and the wishes of the pilots and shipping interests of Canada as expressed over many years.

The bill replaces Part VI of the Canada Shipping Act which relates to pilotage in general and Part VIA which pertains specifically to pilotage in the Great Lakes. This bill is required because the accepted legislation, being of ancient origin, no longer corresponds to modern requirements. The Royal Commission found our present system

to be essentially sound but suggested new legislation to give it proper legal authority. In decentralizing the powers and functions of pilotage in Canada, essentially as recommended by the commission, the ministry will no longer be burdened with unnecessary involvement in matters relating to the day to day administrative operations of pilotage nor in the establishment of tariffs which, to an increasing degree, has resulted in increasing government subsidies.

The new bill envisages pilotage services operated to a large degree by regional authority rather than referring to a central authority. The regional authorities will operate with a great deal of autonomy in both regulatory and financial matters. It is anticipated that they will become financially self-sufficient and that subsidization will be reduced to a minimum, partly as a result of our over-all policy that the cost of government services should be met by the users. In place of the present 29 pilotage districts, there will be four pilotage regions.

The Atlantic Pilotage Authority will include all Canadian waters about the Atlantic provinces, plus the Bay of Chaleur between New Brunswick and Quebec.

The Laurentian Authority will include the St. Lawrence waterway from the northern entrance of the St. Lambert lock by Montreal to the waters of the gulf north of Cap d'Espoir in Quebec.

The Great Lakes will run from the northern entrance of the St. Lambert lock to all Canadian waters in and around Ontario and Manitoba, including Hudson Bay.

The Pacific Authority will cover the waters of British Columbia.

The four authorities will each have a chairman and a maximum of six members, appointed by the cabinet. The Chairman of an authority will be the chief executive officer and will be employed full time. In the larger regions, a full time vice chairman may be appointed. Their salaries will be set by order in council, as will be *per diem* rates for other members.

The pilotage authorities will have the objects of establishing, operating, maintaining and administering an efficient and economic pilotage service. They will be proprietary corporations under the provisions of the Financial Administration Act and will not be agents of Her Majesty.

The pilotage authorities will have powers to own land, buildings, boats and equipment, to borrow money and to make investments. They will be subject to audit by the Auditor General and will report annually to the minister. They may make by-laws for their internal management and shall file copies with the minister. Assets and liabilities of existing pilotage authorities will vest in the new authorities.

Pilotage authorities will establish compulsory pilotage areas and determine which ships are subject to the compulsory pilotage. In the compulsory pilotage areas, the person having the conduct of the ship must be either a licensed pilot or an officer of the ship holding a pilotage certificate.

All of the existing pilots' licences will continue in force and pilotage authorities will issue new licences to persons who qualify under the regulations. There will be periodic examinations of pilots in order to maintain their licences in force.

Pilotage authorities will either employ pilots on salary or, if the majority of pilots in a particular area so elect, may contract with a corporation of which the pilots are members for the services of pilots, and no person may exercise the privileges of a licence except under such conditions. A pilot's licence will not be valid unless he is an employee of the authority or a member or shareholder of such a pilot corporation. Pilots who become employees will be entitled to superannuation under the Public Service Superannuation Act and may count as prior service under that act the time they spent as licenced pilots under the Canada Shipping Act.

A pilot's licence may be suspended or cancelled when a pilot ceases to meet the qualifications set by regulation or when he violates certain disciplinary provisions. If the suspension exceeds 15 days, the pilot is entitled to a hearing, as he also is if an authority refuses to issue a licence. The hearing will be by the authority and may be held in public, and there is provision for an appeal to the minister. Appeals may also be made to the federal court if the appellant so desires.

Pilotage authorities will be empowered to make the regulations necessary to carry out their functions. Besides establishing compulsory pilotage they may prescribe classes of licences and pilotage certificates, the examination procedures for applicants for such licences and certificates, and limit the number of licences. These regulations are subject to the approval of the Governor in Council, and in the case of those establishing compulsory pilotage areas and prescribing qualifications for the holders of licences and pilotage certificates, prior notice must be published in the Canada *Gazette*. If any objection is made, the minister may direct that a hearing be held and may require the pilotage authority to vary the regulation before it is approved by order in council.

While pilotage authorities establish the qualifications respecting local knowledge, the Governor in Council will establish minimum qualifications respecting navigational certificates, sea time, age and health of applicants, and the examination respecting these matters. These regulations may also prescribe the forms of licences and certificates, the rules of procedure for hearings before a pilotage authority, and the establishment of compulsory pilotage areas where regional authorities fail to do so.

The charges for pilotage services will be established by regulations of the regional authorities with the approval of the Governor in Council. Every proposed tariff will be published in the Canada *Gazette* and any interested party may raise an objection with the Canadian Transport Commission. The commission will hold such investigations, including hearings, as it deems advisable, and pilotage authorities will be governed by its recommendations.

Because of the nature of pilotage in Canadian waters contiguous to waters of the United States, there will be a need for continuing consultation with the United States authorities in regard to the use of Canadian pilots in American waters and vice-versa. The bill provides for the promulgation of necessary regulations to continue the present Great Lakes pilotage arrangements and to make similar arrangements in other areas if necessary.

That, very briefly, is a summary of the objectives and the intent of the legislation now before the House. I may say that it is the result of exhaustive and lengthy consultation with various groups, including the pilots representing themselves, the shipping community and others who might conceivably be affected by this legislation.

I am aware that while, as I mentioned, there has been general agreement in principle with most of the provisions of this bill, certain reservations have been filed by interested parties, and I suggest that these can be discussed in detail when the bill is considered in committee. Certainly, I am disposed to hearing recommendations and to seeing what can be done to accommodate those who in the present circumstances feel that the bill should be strengthened or changed in certain respects.

At this point I might make reference to one matter in particular which I do know has concerned at least a small number of pilots and possibly a large group from whom I have not heard, and that is the possibility that in some instances their employment might be terminated prior to their having reached an age at which they could obtain full pension benefits. There is an ability within the legislation for such cases to be dealt with, and I certainly undertake here in the House to look at this particular provision and to ensure that there is no arbitrary abandonment of a man's work if the results or effects to him are very bad from a pension point of view.

Other representations have been passed along to me with regard to Bill C-246. Some of them are a reflection of the views of some of the more experienced pilots in the country, and to the extent that it is possible to implement these or to change the legislation in order to meet their suggestions, many of which I am sure are logical, we will be glad to consider them in committee.

I feel that what we have to do here is to bring the pilotage arrangements within Canada in line with modern conditions. As I mentioned in my earlier remarks, some of them are quite outdated. Indeed, one might even describe them as antiquated in terms of present circumstances. This is an effort on our part to meet the various representations that have been made over the years and also to comply with the proposals as set down in the royal commission report which was a very exhaustive, one might even say exhausting, exercise which has lasted for many years.

So with this I simply want to add that I will be appearing with the officials before the committee and at that time will deal with the specific matters that have been raised. Hopefully, we will arrive at a bill which can be reported back unanimously to the House in adequate time for it to take the place of the present more or less ad hoc arrangements which expire, I believe, at the end of June.

May I at this point express my apologies to the opposition speakers who will be commenting on this matter and ask their indulgence for not being in my place during that period. The fact is that a delegation from Calgary came down here before I knew that the legislation was going to be discussed in the House at this particular time, and I will be with them for a few moments but will try to get back in time to hear the conclusion of this debate.

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, we accept the minister's regrets. At least he is one minister who apologizes for not being here. I hope it is a good sign for the future.

In the latter part of the minister's remarks he made reference to guarantees to pilots. This gives me a chance at the beginning of my remarks to join him in mentioning this very important aspect of our marine activity, that is the pilots who serve as our navigators in and out of our harbours. This is a very noble profession, and in peace and wartime these pilots have made a great contribution to our country.

• (3:10 p.m.)

The legislation is based, as the minister said, on the Pilotage Commission report. The Pilotage Commission was established in 1962, and its report, as I said, forms the main basis for this legislation.

I just want to mention a member of the original commission Mr. R. K. Smith, who performed great service to this country in marine activities and in the Pilotage Commission. Mr. Smith had a very unique career. He was three times elected as a Member of Parliament and then, by some happening that I doubt could ever occur today, became a deputy minister of marine and fisheries, then Chairman of the National Harbours Board. Later, he was appointed to the Pilotage Commission. As I say, his was a unique career and he made a tremendous contribution to the country. He is a wonderful person, and his imprint is evident in a lot of the recommendations of the Pilotage report.

Again as the minister has said, this bill is designed to replace a part of the Canada Shipping Act, I think from section 323 on, dealing with pilotage. That part is all out-dated, and this bill is to meet new requirements. The old legisation was drafted to deal with conditions obtaining over a century ago. In the case of Saint John, in which I have some interest, I found that the people there had some pilotage requirements immediately after the Loyalists landed in 1783. This piece of legislation is one of those which Parliament amended from time to time and, as a result became very complicated. In fact, that applies to the whole of the Shipping Act. This is a point we should keep in mind during discussions in committee. Certainly, this is one bill that should not receive too much discussion now but should go to committee for detailed hearings.

The former pilotage authorities or local commissions were gradually usurped by the Department of Transport.

I notice a former minister of transport sitting in front of me, and he knows the difficulties with respect to regulations and routine work that the department had with the local pilotage commissions. The recommendations of the Royal Commission on Pilotage were quite clear in this respect. The Commission felt that the responsibility for pilotage should be withdrawn from the Department of Transport and placed under separate local authorities. A quick glance at the bill convinces me that this is only partially being done. There are various shades and degrees of bureaucracy, and its tentacles on power are still showing here. In any event, that was one of the recommendations and I want to go on record as saying that the removal of responsibility for pilotage from the department, so far as it is possible and practicable, is desirable. Of course, I agree that the Department of Transport, with its new re-organization, has to be a factor in anything we do.

The new legislation should be simple and clear. In it we should set out our intentions as clearly as possible, so that the public servants who may be involved with its administration will have a guide that will give them enough leeway to do what is desirable with respect to the day-to-day requirements and problems of the different regions that make up our pilotage service. We will have to state our intentions as definitely as we can in the legislation, but there will be many regulations involved. The problem will be to determine just how much control can be put in the legislation and how much should remain in the regulations. The Royal Commission on Pilotage said that the legislation should include precise, statutory definitions, and that principles and values should be enunciated. The new act should deal objectively also with the new organizational structure.

I return to the point which is the theme of my caution with respect to the legislation. I am not sure whether this is a direct quote, but Parliament should retain exclusive legislative control over those sections of the act which are of general application, and the pilotage authorities should deal with the rest of the regulations, particularly those of a local nature. The question is whether the bill fully meets this intention of the Pilotage Commission.

Clause 3 deals with the fitting of the legislation into the re-organization plan of the department, and implies the desirability of removing pilotage from the Department of Transport as far as possible. The four new pilotage commissions or authorities have been mentioned by the minister—the Atlantic, the Laurentian, the Great Lakes and the Pacific Pilotage Authority. There is some question as to where Churchill will fit, but that can be asked in committee. The commission recommended the creation of a greater number of authorities. This is a matter we should deal with. I am not saying that I object to a smaller number of authorities being created, but this will mean a need for more appointments to these authorities from the different areas, so that they will have on-the-spot knowledge of the navigational problems of the various areas.

The minister dealt with the question of the appointment of the chairmen of the various authorities and, in accordance with that well known phrase, the Governor in Council will decide on the boundaries. This is something we may have to consider in committee.

Clause 4 deals with the Great Lakes Pilotage Authority which in some way is to be included in the St. Lawrence Seaway Authority. We will want to know the reason for this. There may be administrative reasons, but I can see some difficulties since we know that the Seaway Authority has been losing money, and we would not want the Great Lakes Pilotage Authority to start out on a very pessimistic note.

Clause 6 deals with the question of appointments to the authorities. It does not state the conditions to be met by an appointee. Let us hope they will not be the usual political hacks, but people with a knowledge and experience of local navigation.

Some hon. Members: Hear, hear!

Mr. Bell: In clause 12 the language used in setting out the objectives of the authorities is not very colourful marine language. I would think we could improve on it. It talks high mindedly about the "safety of navigation," which is exactly what we have as an objective, but it appears to me that a landlubber wrote that phrase, or somebody in the department with a more technical problem in mind.

Later clauses deal with the matter of compulsory pilotage, the problem of the different types of licences, and the necessity to have pilots aboard ship. We should distinguish between pilotage licences and pilotage certificates. Anybody who has kicked around the waterfront knows that entirely different privileges are involved. I am not sure of the number of the clause which deals with regulations regarding United States pilots working in the seaway, but this and the clauses which deal with the matter of investigation are very important. We all know of the inquiry on the west coast into the case of a pilot who was under the weather during his working hours and although there are not many such examples, this is an extremely important matter.

• (3:20 p.m.)

Conditions governing licensing and suspension must be clearly stated in the act. Only Canadian citizens or landed immigrants are entitled to be licensed. If we are to encourage Canadians to go to sea and take up this aspect of marine activity, it is important that it be stated in the act as a definite requirement. Suspension of a licence is left in the hands of the chairman of one of the four authorities. My quick perusal discloses that the question of suspension and cancellation of licences by the pilotage commission is a very complicated one, and I think it should be dealt with extensively in committee.

Now, we come to the very important section dealing with the different tariffs for pilotage. The CTC is involved in this in some way which will be unfolded in committee. This is good or bad, depending on how you view the success of the Canadian Transport Commission, but at least there will be full publication and a formaliz-

ing of the tariff. The next section of the bill subjects the entire financial aspect to the scrutiny of the Auditor General. Of course, this is desirable but since public funds are not actually involved there will be no control by Parliament. The Chairman of the Public Accounts Committee will not approve this I am sure, and indeed I think most of us would have hoped for something more in the way of parliamentary control than the annual tabling of the report. This is another aspect which can be unfolded in committee.

I do not expect the minister to reply in detail now, but if I am on the wrong track entirely I am sure he will straighten me out. I would close by saying that this is a very technical bill and it is extremely difficult for laymen to understand this type of legislation. It will have to be gone into very extensively and I hope we will have an opportunity to hear the views of the pilots and the shipping community. I am not sure that we should start a series of hearings to rival the pilotage commission itself. The hearings of that body were very extensive and should be our guide.

That is all I wish to say now, Mr. Speaker. I think this bill should be sent to committee for full review as soon as possible. This legislation has been a long time in coming but it is very necessary. If we bring back a good bill from committee it will help navigation in and out of our ports and Canada will become a greater shipping nation. Perhaps we will encourage our young people to follow this worth-while phase of seafaring life more than we have in the past.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, the immense spectrum, the highly technical and complex activities that come under the umbrella of what is now described as the ministry of transportation is rather difficult for laymen to understand. I have always described it as one of the silent services which provides much of what makes it possible for Canadian citizens and their commerce to move with some degree of safety and regularity. Although I represent a coastal constituency and thus should perhaps know a little more of the current needs of the department than some other people, I confess my knowledge is rather fragmentary and rudimentary. So, it is with some diffidence that I rise to comment on this bill.

In his introductory statement, the minister largely confined himself to a description of the framework of the bill. He did not do much about putting it into perspective with the total picture that is emerging, I feel, about the changing requirements of the transportation of cargo by sea. Certainly, the operation of the pilotage services in the various parts of our country has an important relationship to the way in which that traffic moves. I must say, Mr. Speaker, that considering the leisurely pace of the Royal Commission on Pilotage it is rather startling to find this bill before us when we are being told that the final part of the pilotage report will not be available for some time.

If the introduction of the bill at this time means anything, I hope it means that there is recognition of a need to act more quickly on some of these matters than has been the case in the past. As we consider this bill in committee, we may find that it is a companion to Bill C-2 which we discussed recently. The latter bill was designed to cope with the changing pattern of traffic and in particular with the use of high-powered vessels carrying larger cargoes which are in some cases, increasingly dangerous. There may be some interrelationship between the amendments which were made in that new part of the shipping act with respect to the bulk carriage of oil and other contaminant cargoes and the fact that the government has decided to introduce the legislation now being considered.

• (3:30 p.m.)

One thing I should like to say, in agreeing immediately that this bill should be read a second time and be referred to the committee, is that I hope there will not be any disposition on the part of those on the government side who may be responsible for the arrangements with respect to the committee to rush the bill through the committee. From my observations it seems that the bill, in some respects, has caught the pilots themselves off guard. Although they have been aware of the recommendations made by the royal commission, it is my impression that the abrupt manner in which the government has put forward these proposals on a matter that very closely affects their future as components of the marine work force of Canada has been a bit of a shock to them. The provisions of the bill will affect them directly as individuals and as groups of individuals.

I think most hon. members will agree that some of the basic rights of the people who have been within the pilotage services of the various regions of the country ought to be upheld, that their interests should be respected and that their careers should not in any way be unnecessarily interrupted or adversely affected by the proposed terms of this new bill. Having said that, I find myself inclined to agree with the recognition in the bill of the need to establish regional authorities which, in many respects, will be self-regulating and self-operating. The need for these stems from the fact that traffic on the Pacific coast—by that I mean the way it moves and operates and the components of it, whether made up of deep sea traffic or coastal trade—is very different from the kind of traffic that operates in the Great Lakes regions or on the Atlantic coast. So, the idea of establishing regional authorities seems a fairly sound approach. I gather that it arises in large measure from some of the recommendations of the royal commission.

I am not sure whether I understood correctly the observations of the hon. member for Saint John-Lancaster (Mr. Bell); from my understanding of the bill, recognition has been given for the necessity of some kind of co-ordination between the ways these various pilotage authorities will operate. This co-ordination necessarily must be exercised as a result of appropriate action here, in Ottawa, under the authority of the governor in council. It appears to me at first blush—and this matter ought to be examined and discussed in committee—that the bill as

drafted preserves a fair balance between the idea of local and regional autonomy and the necessity of the exercise of essential co-ordination in order that we do not go off in all directions at once with respect to the uses and functions of pilots.

In several committees of this House recently, Mr. Speaker, there has been a good deal of discussion about what is required in order to secure adequate safety of navigation along our coasts, in waters leading to our ports, on the seaway and on the inland waters of Canada. One matter very much to the fore when committee consideration was being given to the unfortunate *Arrow* accident in Chedabucto Bay was the question of whether some of our basic ideas and basic legislative authorities in the field of navigation are adequate in this day and age. As most hon. members probably will know as a result of reading the press or of having read the proceedings before that committee, Dr. Patrick McTaggart-Cowan, who headed that task force, emphasized that ships on the seas approaching our coasts ought to be controlled in much the same way as aircraft are controlled at our airports or in our air corridors. He suggested that there ought to be parallel types of control procedures. Some people have questioned that concept and wondered whether such control procedures would necessarily be parallel. May I point out to the House that other witnesses quite independently, witnesses who were unaware of the position taken by Dr. McTaggart-Cowan, have said that this type of control is a necessary consequence of developments that are taking place.

This point of view was expressed the other day in the committee considering the dangers inherent in the proposed establishment of an oil tanker route from Alaska to Puget Sound, the Strait of Georgia, and then farther south. A suggestion has arisen that these vessels will be under direct traffic control through the use of radar and other electronic means, throughout their entire trip, or, at least, during certain parts of their journey. Certainly, there will be close control of navigation in the Straits of Juan de Fuca and up through Hecate Strait or Rosario channel and in the lower part of the Strait of Georgia. I say at once that this suggestion, to me, makes sense.

It is being pointed out in these discussions, however, that that concept challenges some very ancient maritime traditions under which the master of a vessel is a king of his own little domaine. One can recognize that in days of old when sailing vessels were out of communication with their home ports for extended periods, it was necessary for the master of the vessel to have this ancient authority. Under that concept, as I understand it, the pilot on a vessel serves, basically, in an advisory capacity to the master and the decisions remain in the master's hands. However, if the traffic control for vessels is to be somewhat similar to the kind of control exercised by an air controller operating from the control tower of an airport, it seems to me that we shall need to clarify not only the role of a master of the vessel and the question of who has ultimate power and authority, but also, in this context, the question of the role and authority of a pilot.

• (3:40 p.m.)

The bill makes provision for compulsory pilotage areas to be drawn by the different pilotage authorities. I agree with this. In fact, the concept of allowing masters of ships and those managing them to pay pilotage fees in lieu of taking on a pilot, thereby leaving inexperienced masters, inexperienced at least in local areas, in complete control of their vessel without benefit of advice, is archaic. In any realistic appraisal, certainly in view of the kind of discussion we have been having about the proposed tanker route on the west coast, there may be no option of that kind allowed.

If we think of the total pattern of marine traffic in a waterway such as the Strait of Juan de Fuca, we have to recognize that this kind of control, with its resultant elimination of the former authority of the master, may have to be applied to the master in charge of a large supertanker and also to masters in charge of other forms of traffic in difficult waters, be they towboats in the coastal area or freighters that carry dry cargo. I am sure hon. members agree that no matter how perfectly a supertanker is operated, if a freighter, inadequately manned in so far as expert navigational personnel are concerned, rams into it, the damage may be just as great as if the tanker were at fault.

I raise some of these questions because, in considering this bill, we should consider it in the total perspective with regard to the necessary requirements for the safe, normal and regular passage of marine traffic to and from our shores. I wish to emphasize that arrangements should be made so that this bill can receive adequate study by the committee. There should be a bit of a time lag in order to enable the pilots to properly assess the full implications of it as far as they are concerned. Steps should be taken to alert all who may be interested in the shipping field and, indeed, those who are concerned with the impact of a bill such as this on the marine ecology in the areas adjacent to our shores. I am glad the minister indicated there is some flexibility in his mind with regard to the details. When this bill is passed, it should be in a form which will make it a large part of a developing pattern to not only ensure free transport of our commerce, but also full protection of the ecology of our coastal areas.

In the past few days I have discovered that certain people who are very much concerned about what this House does really have not been made aware of some of the legislation we have passed. I do not know whether this is our fault. It may, in part, be theirs. Yesterday, someone whom I would have expected to be fully acquainted with the implications of the Shipping Act, which we dealt with earlier this session, had to admit he had not yet seen a copy of it. When I stated in a committee that this pilotage bill had been given first reading in the House, there was immediate interest. As a result, one of our messengers took steps to procure copies of this bill for distribution. The bill was eagerly seized upon by witnesses before that committee because they recognized it was something in which they were directly concerned.

In one case this was navigation matters and ship design, and in another case it was a scientific concern in oceanography and the necessary steps that should be taken to protect the ecology. Having said that, I am happy to see the bill receive second reading and be referred to the committee.

Mr. John Lundrigan (Gander-Twillingate): Toward the end of his remarks, the minister referred to some aspects of the bill which are causing concern to pilots who feel their pension rights will be jeopardized by lack of protection when this bill becomes law. He stated that he will ensure that these matters will be thoroughly dealt with when the bill is before the committee. He also said he will guarantee that these pilots will receive protection under this legislation. With that kind of understanding, I will refrain from making any detailed remarks at this time.

I look forward to the response of the minister and his officials during the committee stage. The minister has received official representations from pilots who feel their pensions will be jeopardized. I want to express my appreciation on their behalf of any move by the department which will assure them of their pension rights under this legislation.

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

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

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CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DETERMINATION OF PAYMENT FOR WHEAT—EXTENSION OF APPLICATION TO FLAXSEED, RYE AND RAPESEED

The House resumed, from Monday, May 17, consideration of the motion of Mr. Lang that Bill C-238, an Act to amend the Canadian Wheat Board Act be read the second time and referred to the Standing Committee on Agriculture.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, Bill C-238 is grouped with a number of grain bills which the government has brought before the House. Two of them are now receiving study by the Standing Committee on Agriculture. When one considers the plight of western grain farmers, it is interesting to note that a spokesman for the Canadian Wheat Board stated quite clearly this morning that there are 46,675 farmers in default on their cash advance borrowings from the wheat board. This gives one some idea of the plight of western farmers. To my mind this is a shocking figure. Farmers and people generally have the right to ask why.

[Mr. Barnett.]

• (3:50 p.m.)

It was also pointed out that the Wheat Board had carried out a deliberate policy of refraining from filling space available in commercial storage. There are some 170 million bushels less in storage this spring than was the case a year ago. I see the minister scurrying to look up figures. The figure I just gave was for the end of March—the amount varies from week to week. It can be said that farmers have delivered more wheat than they did last year. They delivered more this year because grain sales have been better than they were last year, but it remains true that the Wheat Board has carried out a program of refraining from filling elevators. What does this mean in terms of cash returns to farmers? It means we are not allowing farmers to sell as much grain as they otherwise might.

Now the minister is asking us to approve an amended Wheat Board act giving the Board jurisdiction over flax, rye, rapeseed and other things. The Wheat Board Act has been on the statute books now for 35 or 36 years. In essence, it has been a sacred cow. Western Members of Parliament and people generally have been afraid to criticize it because their remarks are immediately misinterpreted as meaning they are against the Wheat Board. I am for the Wheat Board. I think the Board has served a very useful purpose in western Canada. Nevertheless, I feel changes should be made. The act ought not to be a sacred cow; we should examine it. The direction of change should, in my opinion, be toward greater flexibility rather than greater rigidity. The act now before us places the farmer in an inflexible situation. The whole quota system has been altered in such a way as to make the farmers' position more rigid. It might be argued that since the government is handling grain sales through the Wheat Board it is in the best position to decide what farmers should deliver. Has the government allowed the Wheat Board to take all the grain for which it could find commercial storage? Is has not. These elevators could be filled. Instead, they are not being filled. This means less money for the farmer, less money for the machinery companies, for the grocery stores and for circulation in the economy generally.

Why has the government decided on this policy? I come back to the straightforward answer I suggested earlier. The government is deliberately trying to get rid of a lot of the small farmers. Some might say I am making no more than what amounts to a political statement—that nobody really believes it. Actually, though, this is Liberal policy as enunciated by the Prime Minister (Mr. Trudeau) in Winnipeg on June 2. He said on that occasion that a policy for small farms was necessary. Farmers would be kept on their land, but when they sold it, or moved, or retired, the land would have to go to a large scale farmer or else go back, to use the Prime Minister's phrase, into public hands. In other words, the government would own it. This is wrong. In my opinion, there will always be small farms. The government has the idea that once the operators of small farms have been got rid of the large scale farmers will be able to look after themselves, and no one in Ottawa will have to worry about them. This is a misleading line of thinking

because the large scale farmer of today becomes the operator of a small farm tomorrow, if we carry out a policy of this kind. Indeed, carrying this theory to the extreme, we could end up having only one farm. The Prime Minister likes to explain himself in that manner, by carrying things to extremes.

The minister in charge of the Wheat Board comes from western Canada, from the Province of Saskatchewan. He should know what wheat has meant to the economy of that province. He should know how short of money the farmers are in that province. But either he does not care about the people there, or he has no authority. I like to think it is the latter, because I believe the minister must care. He would not have run for election to Parliament if he had not cared a little for his constituency. On coming here, though, he realized that the policies had already been laid down by the bureaucracy in Ottawa. His job was only to carry them out, to administer them and to pilot the necessary bills through the House.

When the present Secretary of State for External Affairs (Mr. Sharp) was in charge of the Wheat Board he used to say he had nothing to do with the affairs of the Board. The Wheat Board sold wheat. Today, quite evidently, the Board does not run its own affairs. A representative of the Board, an able gentleman, was asked a number of questions in the committee this morning to which he replied: "I cannot supply the answers." He could not supply the answers because he knew the Wheat Board is now being directed from Ottawa. This is wrong. There should be an amendment to the Wheat Board Act giving the farmers the right to elect a member to the Wheat Board. The Board is composed of five members. I would think that two, or better still three of them, should be elected, one from each of the Prairie provinces, so that the farmers would have a representative on the Board who would be responsible to them. This is one provision that should be in the act and is not. For too long the Wheat Board has been accused of not making sales, of being reluctant to make sales or of adjusting the price of grain, and this has caused anxiety and concern. If the farmers had a voice on the Canadian Wheat Board, the Wheat Board would then be directly in touch with the farmers whose grain they are selling, and any anxiety in the country would immediately be reflected in the decisions of the Board.

• (4:00 p.m.)

This bill is asking for permission to put rapeseed, flaxseed and rye under the control of the Canadian Wheat Board. In a press release recently—the minister is the greatest fellow for press releases—he said he had no intention of putting these crops under the full control of the Canadian Wheat Board, that he would consult the producers first. This reminds me of the famous Bill C-176. The minister had no intention of taking the cattlemen into the bill, so he told the cattlemen. He said he would eliminate them from the bill, but he has not done so yet. The minister has stated that he has no intention of ever creating a cattle marketing agency.

Do you really think, Mr. Speaker, that the minister would consult the producers of rapeseed before placing rapeseed under the rigid control of the Canadian Wheat Board? Would he do that in view of the fact that he brought in this bill without even consulting them? The *Western Producer* carried an article recently in which it said that when the minister attended a meeting on the Prairies he was amazed to learn that the rapeseed growers did not come within the control of the Canadian Wheat Board. I see the minister is smiling at that, and I know he does not want me to read the article because it is slightly embarrassing. It goes on to say that the minister from Saskatoon put his head on the chopping block, and certainly I would not want to put his head on the chopping block.

Mr. Lang: You have had it there so often. My head, I mean.

Mr. Horner: I am sorry if I have left that impression because that is far from my mind. What I am asking is whether, as producers, we can believe that this government will consult us in view of the fact that it made no attempt to have prior consultation with the producers before introducing this bill to Parliament. The minister issues a press release in which he says these producers will never come under Canadian Wheat Board control or be included in the bill. This leads me to ask why they were put in the bill in the first place. This business of bringing in a piece of legislation, including provisions offering the producers, and then turning round and trying to reassure the producers that they will be unaffected by the bill just not good enough. Alarm has been expressed by our customers throughout the world at this measure. They want to retain their present flexible arrangement whereby they are able to buy rapeseed, in particular, without going through the Canadian Wheat Board. Rapeseed, flaxseed and rye are considered to be what are commonly known as cash crops; producers can grow these crops and sell them.

I should like to ask the minister whether it is his intention to pool the price of these grains when he does give control of them to the Canadian Wheat Board. He will probably consider the situation for some time, and if he does put them under the control of the Wheat Board perhaps he will pool the prices. I should like to know whether this is his intention, or whether he is doing this in order to make his grain stabilization program work and to enable him to keep accurate accounts of the cash received by the farmers.

I think it is a combination of both these two factors, but what is going to be the net result? Already alarm has been caused our customers. The farmers foresee it being slightly more difficult in the future to market their grains. For years we have had a surplus of wheat, and I think we should continue to have a surplus of wheat. I say this because we are entering a period of what I refer to as surge buying on the part of various countries. China and Russia have had crop failures I think three years out of the last ten and bought huge amounts of grain from Canada; we were fortunate to have that grain available. Under the program the minister is now carrying out, the amount of grain in commercial storage will be reduced.

In that case, unless he is very careful, he will be unable to assure Russia, China, or Japan, which is buying in volume, that we will be able to make such deliveries.

This is the difficulty foreseen by the farmers in marketing their crops. I think we need a clear cut statement from the minister assuring us he is going to make every attempt, before the end of this crop year, to fill up all available commercial storage. If he puts forward the argument that by following this course difficulties will be created in the throughput of the grain handling system, that argument will not stand up. We have had our commercial storage facilities filled before. In various crop years in the past we have delivered huge amounts of grain to Russia and China during periods of near capacity grain storage in our commercial facilities, and there has been no difficulty with the throughput.

I submit that the first purpose of this legislation is to eliminate the operator of the small farm. The government thinks that the large scale farmer will then be able to look after himself and there will be less load on the government. The second purpose is to reduce government spending on agriculture. The government must have commercial storage either empty or practically empty so that it does not become involved in any major expenditure. Thirdly, the government wants to create a situation where it knows exactly what is being produced by any and all of the farmers. The government wants more control.

In a speech I made earlier in this House, on the subject of agriculture I said that what the government wanted was power, that the government wants to control every facet of our society, that the government is power hungry. It is not just content with being in office; the government wants power to control every facet of our society. That is what the Minister of Agriculture (Mr. Olson) wanted when he introduced his marketing bill, though I do not think he wants it any more. The minister in charge of the Wheat Board is searching for power. He is trying to build up an empire for himself so as to control and to manipulate agricultural products. Instead of letting the Wheat Board run its own business, directions will be given from Ottawa. Instead of bringing in a bill to allow the farmer to have some representation on the Wheat Board, there is to be more rigidity in the system.

• (4:10 p.m.)

If one carefully studied the agricultural situation during the past number of years, one would realize that the most successful farmer has been the farmer who has been most flexible, who has been able to shift his energy from one phase of the industry to another and therefore meet the market as it develops. The rigidity this government is bringing to the agricultural scene is wrong. It will prohibit the flexibility required in an individual farmer's operation. In my opinion, the whole concept goes back to the question of supply management. This government is firmly committed to supply management. The Operation Lift which the minister in charge of the Canadian Wheat Board brought in last year was a direct attempt at supply management. Now, the minister throws out his chest and says that it was pretty successful because the amount of wheat was reduced. Yes, he reduced the amount of wheat because he introduced a program whereby if a farmer did seed wheat he could not deliver it. That was the way the quota system worked.

Canada is a small country in population but a country which is large in resources and ability. For a long time the farmers have listened to the government experts, the bureaucrats, say that greater efficiency is required in the agricultural industry. The farmers need more effectiveness from the government rather than greater efficiency. Now, the minister states that supply management will give this. Canada is a country which has the ability to produce something in the neighbourhood of less than 10 per cent of the world's wheat production and yet it has nearly 50 per cent of the world's surplus. We need sales. If we say we cannot sell it then, in effect, we are saying that all the people in the world go to bed with no more desire to have a greater supply of food. We all know this is wrong. We know there are many people throughout the world who require more food. To me, the concept of supply management is an example of negative thinking. We are opting out of competition throughout the world. We should be doing the direct opposite.

The Canadian Wheat Board should be adopting a system of selling agencies or if the Canadian Wheat Board does not wish to do this the government should do so. I asked the former chairman of the Canadian Wheat Board about this and he said he felt the board should be involved in a pricing, pooling and orderly marketing system. However, he would prefer not to have selling agencies under the board because the board must be impartial and must treat all the various selling agencies alike. If that is the opinion of the board, then the Canadian government should be giving financial assistance to the newly established selling agencies which the pools and the UGG have formed and which it is hoped will play an active part in the selling world. This government has not mentioned anything about this. There are many things which could be done which would be far more effective in helping the farmer than the three pieces of legislation the minister has brought in. Each piece of legislation creates more and more difficulty for the farmer in his attempt to remain in business.

The Canadian Wheat Board has been one of the major tools in assisting the farmer in respect of marketing his grain in the past number of years. However, the system should be changed. It should be made more flexible. The Canadian Wheat Board should be made more of a market-oriented board for Canada rather than a board which just controls the amount of grain produced by the farmers. Another thing I should like to mention is that in respect of the pricing system of the Canadian Wheat Board there should also be some changes. Last fall, because of the inflexibility of the Canadian Wheat Board we saw a situation in which Canadian barley sold at least 20 cents a bushel less than it should have for over a period of nearly two months. Because of the corn blight

in the United States, the demand for feed grain in Europe and Japan increased. We made sales because we were removed from the pressure of the demand in the barley market. If barley, however, were under the Canadian Wheat Board the pricing system would be too rigid. The rapeseed growers are worried about the possibility of a similar situation developing in respect of rapeseed.

Rapeseed is in severe competition with other oil seeds. With the selling system we have today there is a demand for the product. We know the supply and we know the demand. The Canadian Wheat Board is aware of the supply situation. It knows how many million bushels are in the elevators across Canada, at the Lakehead, at Vancouver and at Churchill, but the board must be more sensitive to the demand. It knows the supply situation but sales cannot be made unless we have the two factors at work, supply and demand. The rapeseed producers fear, if rapeseed is placed under the Canadian Wheat Board, that because of the inflexibility of the board's structure there might be a tendency to hide the demand for their commodity. This commodity is in severe competition with other oil seeds. Surely every farmer in Western Canada knows this. Surely a person who comes from Saskatchewan University should know this because Saskatchewan University has done a great deal of work in developing various uses for rapeseed. They should be well aware that demand must be registered. Because of the structure of the Canadian Wheat Board there might be a slight tendency to hide the demand. Therefore there is a great reluctance on the part of the growers to have rapeseed come under the Canadian Wheat Board, with all the rigidity which is built into the system. I think perhaps this bill, along with the other two which are before the committee, will receive exhaustive study.

Before I conclude, may I say that this morning in the Agricultural Committee the spokesmen for the Canadian Wheat Board were very poorly prepared. When they were asked questions they did not have the ansnwers. They said that they really did not think the question were within the terms of reference of this bill and so on. It would seem to me—and I come back to where I started—when you have 46,675 farmers in default on payments in respect of cash advance loans, then the committee study should encompass the whole spectrum of farming. I have never seen the representatives of the Canadian Wheat Board appear before an Agriculture Committee as poorly prepared as they were this morning. I know these are capable men. Why then did we have this situation? It must have been because of pressure from the top to release only what had to be released and no more. That is what I believe. I believe there is this pressure because the government does not want to become involved in a big debate.

Mr. Lang: Mr. Speaker, I rise on a question of privilege. The hon. member is intimating there is some direction to the officials not to release information. I should like to make it perfectly clear that there was no such direction and that all the information which was available and relevant was certainly made available to members.

Mr. Olson: The wrong interpretation as usual, Jack.

Mr. Horner: The Minister of Agriculture suggests a wrong interpretation as usual. I was at the committee and was questioning the witnesses. How can the minister say all the information available was given and there was no direction from the top when he was not there? He does not know what information was requested. He does not know what information was not available. At one time the annual report of the Canadian Wheat Board went before the Agriculture Committee and was given a thorough study section by section. This procedure has not been followed for the last two or three years. I wonder why. The Canadian Wheat Board hired a very able and capable writer. He can write and he can carry on a great public relations job for them. Surely, he should be able to write enough about what the Board is doing for the Canadian farmer. The minister can say that there was no direction from the top, but I am only trying to analyse why more information was not made available. As we get into the study of this bill and of the Grain Stabilization Act, all the facts must be laid on the table and must be made available. I was disappointed.

• (4:20 p.m.)

I have been a member of the Standing Committee on Agriculture for 13 years, and I was very disappointed. Officials of the Wheat Board have always been very able witnesses before that committee. They have always known their facts, and they always gave out their information clearly and freely. This morning nearly all the same men were there. I understand that the chairman is in the hospital, but I am not certain about that. However, his assistants were there. They have always been before the committee, but for some reason or other much of the information was not available. The minister said that enough pertinent information was available. That is his opinion, but surely before we pass the three bills all the information that is required regarding the operation of the Wheat Board and the sales that they are supposed to have made as well as those they have made should be made known.

In addition, the action the Canadian Wheat Board took to reduce the amount of grain in storage must be explained. I think the truth will come out that this was a direction from the top, a direction which resulted in empty elevators throughout western Canada and which forced farmers to store more grain on their farms, in this way depriving them of much ready cash. It seems to me that this Action will only force farmers off the land, and that is exactly what the government is doing.

Mr. Lorne Nystrom (Yorkton-Melville): I want to spend a few minutes making some remarks on Bill C-238. I will be brief as the House has had before it in the last few days several different farm bills and all of us have had

an opportunity to express our thoughts. These bills will be before the House again.

The bill before us deals essentially with a whole series of matters. First of all, there is a series of housekeeping provisions on which I do not intend to comment. For example, the bill provides for the extension of the crop year. I think most of my constituents are pretty well unanimous on this provision. The bill also makes some alterations in terminology. It refers to Thunder Bay rather than to Port Arthur and Fort William. When I say housekeeping provisions I do not mean it in the negative sense, but a large part of the bill deals with housekeeping matters.

The main point about which I and many other members of the House are concerned relates to the provision which permits marketing of flax, rye and rapeseed under the Canadian Wheat Board. What we have essentially is enabling legislation. If the minister or the cabinet see fit to include these commodities under the Wheat Board at some time, they will do so. I should like to ask the minister when he rises to speak again why he does not move now to include these commodities under the Wheat Board. Why is he again at this time in the position of going half way and not all the way? Why is he just half pregnant? This is often all too typical of this government. They go a little way down the path but not all the way. This is another small example of their over-cautiousness and of the timidity of the minister.

My position on the matter is quite clear. I am in favour of the immediate inclusion of flax, rye and rapeseed under the Canadian Wheat Board. I know other members of my party suggested this on Monday when they spoke in the House. I am in favour of the orderly marketing of all grains by the Canadian Wheat Board, an agency that is responsible to the public and to the producers. This is what we must have if there is to be any type of income stability for the farmer. In this way, farm commodities will not be the subject of speculation on the market, as is the case at present. This is why I should like to see the minister move as rapidly as possible to include these three commodities under the jurisdiction of the Canadian Wheat Board.

Why do I say this? First of all, to be very brief, the major farm organizations and farmers unions, the wheat pools in the three provinces, and the Federation of Agriculture have all agreed that these commodities should be included under the Canadian Wheat Board. Since 1935, our party has passed resolutions at several conventions recommending the inclusion of these grains under the Wheat Board. I know that my constituents and the farmers in my area are in favour of such a move. I believe that this is the type of action which we should take, and we should not be pussyfooting around delaying it.

I am all the more convinced that we should take this action when I look at who is against the inclusion of these commodities under the Wheat Board. I see that, for example, the private grain trade is against such action, and so is the Winnipeg Grain Exchange. The other day one of the members in the House quoted a letter from James Richardson and Sons, a newsletter which was sent out on April 22. I do not have the letter here but I know that James Richardson and Sons are against the inclusion of these commodities under the Wheat Board. When I learn this, I am all the more convinced that we must do so immediately because companies, organizations and corporations such as this have been living off the farmers and exploiting them for all too many years. It is about time we did something about such exploitation. As I said, such organizations have been living off the farmers, but this is not their fault; it is only natural. They are private corporations, and their aim is to make the maximum amount of profit with the lowest amount of effort. Their aim is to have a handsome profit from the sale of grain and other commodities which the farmer raises or produces. This is why the government should take the lead now and should initiate action at this time to include these three products under the Wheat Board.

It is not only the Liberal government that is half pregnant. We also find that the Conservative party is in a similar position. On the other hand, some Conservative Members of Parliament are against the inclusion of these commodities under the Wheat Board. I think that this type of attitude is nothing but an extreme right wing attitude which hearkens back to the age of the dinosaur. It assumes that the farmer can go out on the open market and fight for himself. The other day the hon. member for Peace River (Mr. Baldwin) said that the government is committed to a policy of economic genocide against the small scale farmer. I think he is right. I think the government in forcing small scale farmers off the land. This is their announced intention.

If some Conservative members vote against a piece of legislation such as this, then it can be assumed that there is certainly Conservative complicity in working against the operators of small farms. They want us to move even faster to force these farmers off the land. The hon. member for Duvernay (Mr. Kierans) and the hon. member for Trinity (Mr. Hellyer), the two former cabinet ministers, left the cabinet because they thought the government was too cautious and too conservative. Now, we have some Conservative members saying that the government is not conservative enough. I think this speaks for itself. This is not the direction in which we must move. We must move in the other direction so that the farmer will have some protection and some bargaining power when he goes out into world markets. He must not be left to cope with the vagaries of the speculative market, but must be given some kind of stability. I think the minister knows this.

• (4:30 p.m.)

The minister is from Saskatchewan. I know he has been in contact with farm organizations. I hope he will act upon their recommendations as soon as possible because it is his duty to lead the way and to bring these commodities under the jurisdiction of the Wheat Board. He should listen to these organizations, and listen to them before the end of this crop year. If he does not, then perhaps there is some validity to the suggestion of some hon. members that a plebiscite be held. But that plebiscite would be a foregone conclusion because farmers are in favour of this legislation.

Mr. Schumacher: Where did you get that idea?

Mr. Nystrom: I think all the hon. member has to do is go out and talk to some of his own constituents.

Mr. Korchinski: Some organizations are not in favour of it.

Mr. Nystrom: The hon. member for Mackenzie (Mr. Korchinski) says that some of the organizations may not be in favour of it. If that is the case I suggest they are few and far between because most farmers are interested in strengthening the Wheat Board, and in orderly marketing. Of course, you do have people who are critical of some of the ways in which the Wheat Board acts. There are many who feel it should be more aggressive, that it should be permitted to sell grain in a much more vigorous way.

But this is not the fault of the Wheat Board. This is not the fault of the basic idea of the orderly marketing of grains. This is the fault of the government for not giving the Board enough money, enough leeway, and enough motivation to go out and pursue better markets. If these commodities are included under the Wheat Board there is a better chance of finding markets for them, and a much better chance of getting more stable prices for the farmers. After all, this is what we want. Since when did the private grain trade have the interests of the farmer at heart? When did they become the friend of the farmer? Their purpose is to make a profit, as large a profit as possible. This is why I urge the minister to act as soon as possible, and not leave the whole thing up in the air, as apparently is being done today. We must strengthen the Wheat Board, make it more vigorous, give it more power and influence. We must make it a more aggressive agency. This is what the overwhelming majority of farmers in western Canada want.

I do not want to repeat myself, Mr. Speaker, but I do want to say that western agriculture is in really serious danger today. Farmers are rapidly disappearing from the land. The net income of the farmer has gone down and his costs have gone up. If we do not do something soon to reverse this trend the small farms will disappear, we will have huge corporate impersonal farms; local towns will become ghost communities or remain just as service centres for the corporate farms. Just a few weeks ago the Dominion Bureau of Statistics showed that net farm income in Saskatchewan over the two year period from 1968 to 1970 fell by 56 per cent. This is a gigantic drop. It underlines the severity of the problem facing western agriculture. And it is not only the farmer who is suffering. The operators of small businesses are affected, the unemployed, and in fact the whole population. A drop in income of 56 per cent should make us all realize there is something drastically and fundamentally wrong.

The bill before us is only a small one, but it provides for a fundamental change that would give a little more stability to some suffering farmers in western Canada. I hope the minister acts as soon as possible to have rye, flax and rapeseed brought under the jurisdiction of the Canadian Wheat Board. Perhaps when he rises to reply he will elaborate a bit more, tell us that he intends to make a thorough, in-depth study of the matter, and indicate what his final decision will be. I have put forward what I find to be the general position of most people I talk to in rural Saskatchewan, and that is the position of the farm organizations also. It is about time that the farmer did have some bargaining power. It is about time that the farmer did have some protection. This is one little piece of legislation that would help the farmer in contending with forces which he cannot control by himself.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I listened attentively to my neighbour from Yorkton as he recited the dire conditions in which many western communities find themselves. He stated that there is a need for greater income in western Canada. He pointed out that some rural communities were depleted, and with all of this I agree entirely. I think he presented a good case showing there was a need for effective means to increase the income of the western farmers, and he also mentioned the needs of western businessmen.

Three of the major crops that western producers have been selling, wheat, oats and barley, have been under the jurisdiction of the Wheat Board for some time. Mr. Speaker, it was the dynamic salesmanship of the Wheat Board that piled up the huge surpluses that we now have, and so the hon. member for Yorkton immediately refutes his own argument when he says we should put other grains under the jurisdiction of the Wheat Board. Even though the Wheat Board was not able to handle the situation with regard to wheat, oats and barley, the hon. member suggests that it be given control over three more grains. And he suggests that then we will have orderly marketing.

We have had orderly marketing, Mr. Speaker. As a result we have stacked our surpluses up so neatly and so high that the whole world can see them. It doesn't matter where you stand, you can see piles of wheat in Canada.

Mr. Nystrom: Do you want to abolish the Wheat Board?

Mr. Korchinski: I did not suggest that I wanted to abolish the Wheat Board, but I do not want it burdened with any more commodities since it has indicated it cannot handle the three commodities already under its control.

The one salvation western farmers have had was the fact that rapeseed and flaxseed were outside the jurisdiction of the Wheat Board. It was not the Wheat Board's salesmanship that sold those commodities, to the point that we had no more rapeseed left to sell. In fact we had to increase our production of rapeseed, and we hope to increase it again. It was not the Wheat Board that did the work for us. It was the Rapeseed Association and the private trade which did the effective work. The hon. member may chastise the private trade, and suggest that it is living off the farmers, but I do not know how an elevator system can be maintained without deductions collected from the producer. As a producer I realize that, and what concerns me is that the elevator system may disappear if these other three grains come under the

jurisdiction of the Wheat Board because then the absolute control will be in the hands of that board, which ultimately means in the hands of the government.

I have before me the report of the Canadian Grain Marketing Committee submitted to the Canadian Wheat Board, and on page 6 I read that in the year 1969-70 Canada's percentage of the world wheat carry-over was 39.4. At the same time, of the world wheat acreage in production, Canada has only 4.9 per cent—5 per cent of the total production acreage in the world and 40 per cent of the surplus. And wheat was handled by the Wheat Board, if you please! Do hon. members want a similar situation to occur with regard to rapeseed? As a producer I believe in pooling many things but at the moment I do not believe that rapeseed should be included. Now that somebody else has done the work the Wheat Board wants to move in. This is typical socialist philosophy, as I know very well having lived under it. They do not want a man to think for himself nor do they want the individual to make a profit. Personally, I do not mind anybody making a profit, though I may mind the margin of profit. I am more concerned about the man who is losing money because we know that profit is a great incentive.

• (4:40 p.m.)

The rapeseed industry is in competition with peanut oil, soya bean oil, coconut oil—you name it and we have it, but we have managed to sell our rapeseed. Now, the Wheat Board says it has the answer. It did not have the answer when we had a surplus of wheat. And what is the situation in regard to feed grain? In a newspaper report of a paper written by Dr. George R. Winter of the University of British Columbia there is the following statement:

> Canada's share of world exports has fallen from nearly 30 per cent in 1963 (and a huge 40 per cent in war years) to less than 20 per cent in the last two years. On the other hand, Dr. Winter said, "We have only 3 per cent of world feed grain exports."

Only 3 per cent of world feed grain exports, Mr. Speaker! What about barley and oats? When we had a surplus of barley, farmers were moving it across provincial borders and doing everything to save themselves because the Wheat Board was not moving it. Then, there was a corn blight in the United States, although the Wheat Board did not realize this, and suddenly there was a windfall. However, the board sold barley at reduced prices. Before the Board caught on to what had happened they had committed themselves so far ahead at these reduced prices that the minister has had to up the ante by ten cents this year in order to encourage the delivery of barley. He established it low enough at first to protect himself, but now he has to deliver and he cannot do it because the farmers will not deliver at the reduced price. The minister has had to increase the price. That is the way the Wheat Board manipulates things; they up the ante and the elevators do not spot the cars. How do you get your barley into the elevator? There is no way you can operate a system that is obviously inefficient.

Mr. Lang: The cars are coming.

[Mr. Korchinski.]

Mr. Korchinski: Drag in some more dead cats if you like.

I believe that thorough discussion of this matter can only be obtained through the holding of a plebiscite. Let the trade explain its position if these profits are being made. However, at the same time we have to explain why we want rapeseed excluded. The farmers will be the judges. If the minister has any dilemma about who should participate in the plebiscite I suggest that any producer who has interested himself in the production of rapeseed over the last 10 or 20 years should be given a vote. I do not say every permit holder should be given a vote because if a permit holder were interested in producing he had the opportunity to do so over the years. Of course, he may be interested in the future, but then I may be interested in something else in the future. If you have a plebiscite of egg producers you only give a vote to those producers, not to the men who grow the grain that feeds the chickens that lay the eggs. The man who produces the particular grain which is the subject of the plebiscite should be the judge because he knows the situation.

The argument has been made that you need a pooling system because of the necessity to make long term sales. I reject that argument, Mr. Speaker, because we have a pooling arrangement in other commodities and it has not necessarily given us long term sales. In cases where it has, we have probably found out that some of the terms written in were not to our advantage. I can remember the U.K. agreement, a pooling arrangement which cost us $600 million. Western Canada was reeling for ten years after that and it was not just the farmer who lost, it was the whole western economy. When the rest of the world was making money we lost $600 million.

This question of averaging is an interesting one. If sales in the fall are low, then the quota itself establishes the price. You can only sell so much. For example, last fall we had some sales at $2.39 a bushel and then when the quota came up in January, we had some sales at $2.68 a bushel. There was a pooling effect, therefore, but there was no quota. The farmer is, therefore, necessarily restricted by the quota. The quota itself is a mechanism that will, in effect, balance off the average. That is what the Canadian Wheat Board is all about; it is a pooling arrangement, an averaging of prices through the mechanism of the quota.

We are told the pooling effect is needed for long term sales. But what is to stop an agency of the government or the Wheat Board from going into the world to find a market? They could ask potential buyers, "How much do you need and how much will you pay?" Then, they could come back to the producer and say, "We have a potential sale for X number of bushels, will you produce it at such and such a price?" The farmer could then be the judge and enter into a contract or take his chance elsewhere. This could be done right now. If they have their supersalesmen sitting waiting for the starting bell then I say to them, go to it. We have situations at the moment where, because of their yearly requirements, some processors guarantee the farmer a certain price, then work out the

final details later. As a matter of fact, sometimes the processors give the producers an advance. This method is competitive and it works. It is the old auction mart method—"How much will you offer?" Many of us have been to auction marts and some of us have been sucked in on occasion, but there is nothing wrong with that method of selling. You establish a price; the buyer looks at the block which is for sale and says, "I do not have to hurry; I can pick up the goods whenever I am ready." As I said before, we were not indebted to the super-salesmanship of the Wheat Board.

• (4:50 p.m.)

I have a little clipping from the *Country Guide* in my hand. It is about one year old, but the article I wish to read is still very good. It would be worth the while of my socialist friends to my left to read it, study it and analyse it to see what can be done when people work for themselves independently, inspired by one thing only, the knowledge that they have a good commodity for sale. The rapeseed growers did not get the government to sell their rapeseed. Some people say to the government, "You must sell our product for us because you have the funds." Then, when the government does not sell enough those people raise Cain. That is done often enough, and you cannot lose your argument if you blame the government for your ills. My socialist friends have a lot to learn.

I am a producer of rapeseed and I have done fairly well. The only thing that kept my farm from going bankrupt was rapeseed; rapeseed sales saved us. We were able to pay our bills because we sold our rapeseed through private trading.

Mr. Nystrom: It was not sold by the Wheat Board.

Mr. Korchinski: Wheat Board sales did nothing for us. May I read from the article in my hand:

> Rapeseed is the brightest hope of surplus plagued Prairie Farmers. Exporters say it's the one crop farmers can grow with some hope of selling in the current crop year—
>
> Credit the Rapeseed Association of Canada for much of this optimism. The association, formed 2 years ago, set out to boost Canada's rapeseed sales—
>
> The association sent out teams of skilled commodity traders and research scientists to find new markets and prove the value of rapeseed and rapeseed products. It promoted rapeseed oil to consumers in Western Canada and it introduced it to home economist and dieticians in Eastern Canadian universities and institutions.
>
> It published a cookbook in two languages and an animal nutritionist's manual in three. It organized leading plant breeders, animal nutritionists and oil chemists into research teams to develop better varieties and products.

The article goes on to mention the activities of the rapeseed association:

> Its first trade mission went to Japan in May, 1968, J. M. Bell, University of Saskatchewan animal scientist, and Dr. R. K. Downey, oilseeds researcher, went along to explain to Japanese scientists the merits of rapeseed and rapeseed meal, and to help set up feeding trials there.
>
> Feeding trials results were convincing. Early in 1970 a major Japanese feed firm began using rapeseed meal.

The article then quotes what Mr. McAnsh, an official of the association, said:

> 'It was a breakthrough,'...'If rapeseed meal were to make up only 2% of formula feeds, Japan's need for rapeseed would be doubled.'

The Japanese need for rapeseed would be doubled if rapeseed meal, as the article points out, were to make up only 2 per cent of formula feeds. That article shows how rapeseed was sold. It was not sold through government intervention. People sold it by doing something for themselves. It was not the government or the Wheat Board that made those sales. The people who grew rapeseed paid a dollar or two into the association to create a fund and used that money to find a market for rapeseed. They knew what they wanted; they knew they had a good product and they knew it was needed by the rest of the world. Because it has been such a good crop everybody wants to get in on the act. The article continues quoting Mr. McAnsh:

> Our marketing system has some built-in bottlenecks, he says. For example, he claims that restrictions set by the Canadian Wheat Board on the size of rapeseed stocks that can be held at Vancouver are a threat to export sales. The limit is 1.5 million bushels, not enough to supply the market. Two or three large ocean vessels can clean out this stock.

That shows the effects of Wheat Board control. I hasten to say, Mr. Speaker, that I do not object to the Wheat Board. Actually, it was a Conservative government that established the Wheat Board.

Mr. Nystrom: That was when the hon. member was progressive.

Mr. Korchinski: I do not know if I was out of the shell then. In any event, we must be very careful to make sure that we do not mess up a market that provides ready cash for producers at this time.

I think, Mr. Speaker, that a plebiscite is a good idea. Who are those who object to the plebiscite? Since when have we said in Canada that democracy should not be at work? Since when have a few almighty people who sit on plush cushions had the right to say that?

Mr. Nystrom: Who objects?

Mr. Korchinski: Who objects? I thought I heard the hon. member for Yorkton-Melville (Mr. Nystrom) suggesting that it was not necessary to have a plebiscite. He suggested that we have enough information to know the answer. You see, there are some super-politicians here and they know everything in exactly the same way as the Wheat Board seems to suggest that it knows—

Mr. Nystrom: On a point of order, Mr. Speaker; I said that if the government feels a plesbiscite is necessary, they ought to have one. I had predicted that the outcome would be overwhelmingly one way. I did not say nor did I suggest that there should not be a plebiscite.

Mr. Korchinski: Mr. Speaker, I thought the hon. member suggested that there was enough information from various organizations to make a plebiscite unneces-

sary. I thought he said that since farm organizations, wheat pools and so on have already indicated their support, there was no necessity for a plebiscite. I thought the hon. member indicated that there was sufficient evidence to prove that everyone was in favour of it. I suggest that what a few elected representatives here and there say about the matter is not sufficient proof that it is so. I suggest that a plebiscite might be an interesting change. It might be refreshing. The Wheat Board might have to explain some of its actions. I have talked to some of my constituents, and they would welcome an opportunity for the Wheat Board to explain to some of them, personally, the basis for its actions. Wheat Board news releases are not enough. They are fine art jobs. The people want to know what the board is doing. Farmers want to make deliveries but deliveries are slow because of the lack of boxcars and because elevators are congested.

Mr. Knowles (Winnipeg North Centre): Five o'clock.

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Richard): Order, please. It is my duty at this time, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg North (Mr. Orlikow)—Indian Affairs—Northwest Territories—Alleged bigotry of supervisors in not ensuring jobs for native people; the hon. member for Vegreville (Mr. Mazankowski)—Agriculture—Farm machinery—Implementation of commission recommendation respecting manufacture in Canada—Clarification of statements on company profits; the hon. member for Fraser Valley West (Mr. Rose)—Royal Canadian Mounted Police—Use of radio bands for transmission of listening device signals.

It being five o'clock, the House will now proceed to the consideration of private member's business as listed on today's order paper, namely notices of motions (papers).

[*English*]

PRIVATE MEMBERS' MOTIONS FOR PAPERS

EDUCATION

REQUEST FOR COPY OF STUDY REGARDING DEVELOPMENT OF GUIDELINES TO ESTABLISH CANADIAN EQUIVALENCE OF FOREIGN DEGREES AND DIPLOMAS

Mr. David Orlikow (Winnipeg North) moved:

That an Order of the House do issue for a copy of the study by the Association of Universities and Colleges of Canada, Ottawa, undertaken for the Department of Manpower and Immigration regarding 'Development of guidelines by which Canadian equivalence can be established for degrees and diplomas in foreign countries.'

[Mr. Korchinski.]

He said: Mr. Speaker, this country has carried on since the end of World War II an aggressive policy of immigration. Under that policy, every year since 1945, between 100,000 and 200,000 people from almost every country in the world have entered this country. For many years we traditionally attracted immigrants from western Europe, particularly Great Britain, Holland, Norway, Sweden and Germany and, in recent years from countries such as Italy, Spain, Portugal and Yugoslavia. We are now attracting immigrants from the West Indies and some Asian countries. We have been able to attract large numbers of highly educated and skilled people such as doctors, engineers, architects and accountants. We have been able to attract people from every field.

• (5:00 p.m.)

I welcome the entry of such people into Canada. However, some embarrassing and difficult situations have arisen. I do not intend to list them today. I will give a couple of illustrations. Speaking from memory, I will cite one situation which occurred three or four years ago. The Ontario College of Physicians and Surgeons operates under Ontario law. It decided to restrict doctors who came here from India. They found it almost impossible to get licences to practice in the province of Ontario, so were faced with very difficult and time consuming training.

Many doctors who came here from India have received postgraduate training in countries such as Great Britain. They have worked in Ontario hospitals for years, filling positions which would normally have been filled by Canadian trained doctors. They do their job adequately, but receive a relatively low wage. Canadian taxpayers are subsidized because of that low wage while they are working in hospitals. Without an evaluation of their medical qualifications, in India, they are told that no doctors from India will be able to practice in the province of Ontario. This is despite the evidence that is adduced which indicates that they have written their medical council examinations. It has been conclusively proven that a higher percentage of doctors from India pass the Canadian Medical Council Examinations than doctors from European countries, such as France and Germany.

At the time of the difficulties in Czechoslovakia several years ago, a number of immigrants came to Canada from that country. They had worked full time in Czechoslovakia. As far as one could tell, their work was adequate and satisfactory. Despite the fact there was a tremendous shortage of dentists, particularly in the smaller towns and communities in northern Ontario, the Ontario Dental Association made it virtually impossible for these people to be given licences to practice dentistry. There have been similar cases in other provinces with regard to nurses.

In today's Toronto *Star*, there is a report of the appearance by Professor Grant Reuber of the University of Western Ontario before a Senate committee yesterday. I will summarize the article briefly. Professor Reuber stated that some labour unions impose undue labour

restrictions on people with skills and crafts and make it difficult for them to work in this country as skilled tradesmen.

Parliament and the people of this country ought to look very carefully at any private agency which sets restrictions on people. The interests of a particular professional group or trade union may not be the same as the interests of the community as a whole. I do not say that in any critical way. I do not say this is so, but it may be that doctors feel it will be better for them if the number of doctors entering this country could be restricted. Dentists, architects and engineers may feel the same way. I can understand it if they feel that way, but what is good for them is not necessarily good for the country. The standards of skills in a particular profession ought to be closely supervised. They should be set in a general way by the government rather than by the group concerned.

The Department of Manpower and Immigration commissioned the Association of Universities and Colleges of Canada to undertake a study regarding development of guidelines by which Canadian equivalence can be established for degrees and diplomas in foreign countries. I am sure this is a very valuable document. It can be of use to the government and other people. The people of Canada have a right to know who enters Canada, their qualifications, what they want to do, what they are permitted to do by private organizations and what they are not permitted to do.

I have frequently stated that I find it strange that a government which prides itself on participatory democracy should, on every possible occasion, tell Members of Parliament, the Canadian people and the press that information ought to be confidential and withheld from the public. I cannot understand why the government, with regard to the matter under discussion and almost every question, frequently says that the study is either private, confidential or interdepartmental, that they have made a commitment to those who have made the study that it will not be released, or that the department feels that it is not in the public interest.

It would take me an hour to relate the various excuses which have been given by one department or another as to why they cannot table a study or document which is prepared at the request of the government. All the excuses add up to the same thing. The government always gives the same answer. The answer can be expressed in one simple word. Nine times out of ten the answer is "No, you cannot have this information. No, the press cannot have this information. This is information restricted for government use and we say nobody else can have it."

• (5:10 p.m.)

I say, as I have said before, that there is no reason this particular study should not be made available to Members of Parliament, the press and the public generally. I say this without much hope the government will change its mind in the present case. Nevertheless, it is the provision of information of this kind which would help the people of Canada to reach decisions in the extremely complex society in which they live. Should we make it easier for doctors coming to Canada from foreign countries to practice? Should we make it easier for dentists, architects, nurses, physio-therapists to do so? Or, leaving the professions, should we make it easier for carpenters, millwrights, machinists, electricians to come to work here? Unless we know what kind of training they have received we cannot make reasoned judgments on these questions. One of the ways we could be assisted to do so would be by the government making public documents of the kind referred to in the motion before the House.

Mr. Jack Cullen (Sarnia-Lambton): Once again the hon. member for Winnipeg North (Mr. Orlikow) is berating the government and, I would say, overstating his case. He is trying to give the impression that this is a secretive government, one which is not prepared to give out information, answer questions or accede to notices of motions for papers which are placed on the order paper.

Mr. Speaker, only today the Parliamentary Secretary to the President of the Privy Council (Mr. Jerome) rose to indicate that certain notices of motion were acceptable to the government. Many of these notices of motion are, in fact, accepted. Only two or three days ago the same hon. member announced that of some 1,500 questions on the order paper this session alone, 85 per cent had been answered and action was being taken to see what could be done to answer the remaining 15 per cent. Hardly the mark of a secretive government. Then again, one of the highlights of the parliamentary day, both for members of the opposition and for the press gallery, is the question period. Day after day it has run beyond the time allotted for it in order that the government might answer the questions which are put forward. Hardly what one might expect from a secretive government.

There comes a time when a government has a good reason for not producing a particular document. The hon. member will, of course, approach all the reasons which will be given from this side of the House with suspicion and say they don't amount to a hill of beans, the government is really trying to hide under a veil of secrecy. This is simply not the case. There are occasions when the government, requesting certain information or studies, will say to the individuals concerned. We undertake that the information you give us, the opinions you express, the material you bring to our attention, will not be made a matter of public disclosure. This is done in order that a report may be a better one, a more honest one. I suppose that in many cases it would, quite frankly, be of little consequence whether they were published or not. But the undertaking with respect to confidentiality which has been given is still the reason that, in many cases, some of these papers cannot be made public.

There are areas in which an individual reporting to the government might express an opinion which could be considered as "way out" or reflecting 21st century thinking. Some of us might regard it as being a little weird. The government has then to decide in its own mind whether such a report should be released without it

being accompanied by the release of five or six others taking, possibly, a different position, in order that the public might reach a conclusion as to whether or not it was too revolutionary in its thinking.

As to the particular motion before us, I had something to do with the Czechoslovak refugees who came over here. I think it is unfair of the hon. member to seize upon this group to highlight his case. We were faced with an emergency situation and Canada came to the fore, as we did on another occasion when dealing with people suffering from tuberculosis. The government provided a sanctuary to those who were seeking it, without making any commitments. Accordingly, men of various professions came to this country hoping they would be able to practice in their own fields—architecture, medicine, dentistry and so on. The hon. member suggested that the doctors, lawyers, dentists and engineers here were trying to restrict the numbers of qualified people entering their field in order that competition might not become too keen. I do not believe that is true of professional groups in Canada. Just the opposite, in fact. Perhaps I should speak of the profession I know best. Lawyers would welcome more graduates provided they had the capability and could practice law to the benefit of their clients. But I am unalterably opposed to the kind of degrees which can be obtained by studying at night or through correspondence courses. Anyone worth his salt in a profession should be opposed to practices which might lead to the public being defrauded because those acting on their behalf did not possess the necessary qualifications.

I am satisfied that one of the most important responsibilities of an immigration officer abroad is to exercise judgment about the qualification of a prospective immigrant to pursue the occupation he wishes to follow in Canada. To make such a judgment, an immigration officer needs to be familiar with the qualifications which govern a particular occupation in Canada. I would be very suspicious if any immigration officer were to say to an individual: Yes, we need you in Canada and you'll have no difficulty about being recognized in the particular profession you have chosen to practice. I do not think Canada employs immigration officers of that sort, or, if we do, I do not believe senior officials would allow them to keep their jobs for very long. It does not necessarily follow that workers in one part of the world perform the same tasks as their counterparts in different sociological and technological conditions.

• (5:20 p.m.)

Even in Canada we have this brought home to us daily. In Quebec the Civil Code governs civil law suits. The rest of the provinces use common law. To suggest that an individual who has studied the civil code in France, for example, could come to British Columbia and practise law would be fallacious. It just is not done, and I cannot see any immigration officer suggesting that it can be done because these gentlemen are knowledgeable in the work they perform.

I want to deal primarily with one area to show the kind of problem that would be faced by an immigration officer, and why the department commissioned a study of this particular matter. Although it is somewhat foreign to my own field, I want to talk about architects. I choose architecture because I had some experience studying the particular requirements in the field of architecture during a course of a study that I undertook at one time.

Architects in Canada, as we know, plan and design private residences, office buildings, theatres, public buildings, factories and other structures, and organize the services necessary for their construction. They consult with a client to determine size and space requirements, and provide information regarding costs, design, materials and equipment. Surely, this is a textbook definition of that which an architect does in this country. In addition to this, an immigration officer may point out to a prospective immigrant who is an architect from another part of the world that Canadian architects also prepare sketches of proposed projects for clients; they provide specifications, scale or full-size drawings, and other contract documents for the use of building contractors and craftsmen. Canadian architects may specialize in a particular type of structure or project and confer with other consultants in order to develop feasibility studies, make financial analyses and arrangements, and in regard to site selection and land assembly.

As I say, this seems to be a textbook definition of that which an architect in Canada does. But architects have other problems to meet, such as those caused by the changing seasons that we have in Canada. How could an architect from, say, the state of California, knowing nothing about winter conditions in Canada, claim he is in a position to plan the type of buildings that we need? I think all too often people fancy themselves as architects. They think about building homes, having looked into U.S. magazines and seen pictures of sunrooms, and think it is a good idea to build one, all too often only to find that they are no good in the cold weather with the 174 inches of snow that we have in Ottawa.

An immigration officer would surely have to tell a prospective immigrant that Canadian architects usually graduate with a degree or diploma in architecture that is acceptable to a legally constituted provincial association of architects in one or other of the provinces of Canada; that after graduation they gain experience in architectural practice under the supervision of a qualified architect for a period of time prescribed by an architects' association. An architect from another country who had graduated from a school but who did not have this kind of on the job training, similar to internship in medicine or working with a principal in the practice of law, obviously should not be allowed to participate in that form of activity in Canada.

What I have tried to point out is that persons seeking employment in Canada as architects must meet certain occupational qualifications. Canadian immigration counselling officers must supply information concerning the procedures connected with these formalities. If they are to do their job and do it well they must be as familiar with the requirements for practising architecture in this country as the architects themselves. For this reason, I am sure that the study the department has commissioned

will prove beneficial to those who wish to come to Canada. It will give immigrants the ground rules and the basis upon which they can be permitted to practise architecture, or law, or to become licensed as an electrician for that matter.

In conclusion, under existing legislation there are many occupations in Canada that require compulsory licensing. By licensing, I mean the compulsory demonstration of the possession of a certain education, training, experience and other qualifications to the satisfaction of a provincial or municipal authority, or a professional association, before permission to practise a particular occupation is granted. The number of occupations subject to licensing varies from province to province. I understand that in Ontario there are something like 42 occupations on the compulsory list, ranging in alphabetical order from architects to welders. In addition, comprehensive information on the conditions that relate to the employment aspirations of a prospective immigrant, as well as a knowledge of suitable alternatives, is an essential prerequisite to realistic counselling, particularly by immigration officers.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, this is developing into something of a non-debate. It seems to me that the question we have to ask ourselves is why the government does not produce the report in question. It is quite obvious that the report itself is of extreme importance to many Canadians, be they members of professions, professional immigrants trying to become licensed in Canada, or the general public. I think that if this report has anything to tell us it should be released. On the other hand, if there is good reason for not releasing it, then we should be told. However, up to this point I have heard no such reason put forward.

I thought that perhaps the hon. member who spoke on the government side of the House would put forward some reason why the government does not intend to let the House see this report. It could be that the parliamentary secretary is going to use the last few minutes of the hour to explain why the government will not produce the report, and I am willing to wait and see what he is going to say. But if we receive no good reason for withholding this report, then I am going to vote for its production. The government could very easily tell the House that this report is not complete. They could tell us that the study is not complete, or that it would be premature to release the report at this time. Or the government could tell us that the report involves provincial rights to the extent that its release would only create dissension. If reasons such as these were given, then I might be inclined to agree that they had some substance.

I cannot agree with one statement made by the hon. member for Winnipeg North (Mr. Orlikow), who said he thought that the government should set professional standards. As a professional person I cannot think of anything worse than to have someone within the government regulate the professions. I think the professions have to regulate themselves, and I think they are most capable of doing so, regardless of all talk to the contrary. Perhaps some of the professions—and law is no exception—are inclined to get behind the times, to become sterile and stereotyped. I am sure this is the case in the legal profession as much as any other. But public opinion usually brings the members of such professions up to date and forces them to give the public the type of service that the public expects from them. So personally I should not like to see any change considered. We are wasting our breath, however, in talking about it here, because these are provincial matters. We have nothing to say about them in this House. The professions are licensed by the provinces. That situation is likely to continue.

• (5:30 p.m.)

But there is another problem which does concern the federal government. I refer to immigration. I believe it has been obvious for a number of years—I can think back at least ten years in this regard—that people have been brought into Canada who belonged to professions in their own countries and believed that after a short period of retraining and brushing up they would be working here in their professions. They believed this would occur in a matter of months, or a year at the most. I know personally of people who came to Canada with the belief that they would be accepted here after they learned to apply their knowledge to local conditions. After arriving here they found this was not the situation at all.

These people would move from province to province in the hope that in one province they would be accepted because there might be a shortage, or because the standards might be lower or might be altered. They had to move around this country to find where they might be accepted and where their qualifications would be considered adequate. So we have a federal agency bringing people into the country to carry on business in their professions, which are licensed by the provinces. There would seem to have been a complete absence of communication between the professions and the federal department of immigration. This situation has developed time after time in connection with doctors, dentists and other professional people who have come to Canada.

I admit that many licensed professionals who come to this country should not be practising their professions in Canada, for three or four reasons. One obvious reason is that the professional standards in the country from which such a person comes may be much lower than ours. In many countries a profession rates much lower than it does in Canada, and therefore the educational standards are lower. In many countries the need for professional persons is very great and urgent. Therefore, these people are admitted to practice in the professions, particularly in medicine, with less training than we consider necessary in this country.

Another problem is language. Many people who come to Canada are unable to carry on their business or profession in the language of the region in which they establish. Nothing is worse than misunderstanding between a professional person and his client. Also, local conditions in many cases are very different. I know, for example, that a great many professional planners are being brought into this country. These people hold

degrees in land planning, municipal planning and urban planning. They are brought to Canada to assist us in planning and development although they come from countries where conditions are very different from ours and therefore they do not have the faintest idea about how to approach planning in this country. We see this situation in many areas. Even in the province of Ontario there are examples of it. So there are perfectly good reasons for the professions setting standards which they will not lower.

Having said this, I believe it is high time guidelines were established for the immigration department and professional associations. I think the development of guidelines by which Canadian equivalence can be established for degrees and diplomas in foreign countries is very much needed. I hope the study which has been made is of assistance to somebody; but, Mr. Speaker, it will not be of assistance to the general public if it is retained within one department of government and is not released. I think it will be a loss if the report is not released, especially if it can be of value in developing the lines of communication between the professions and the department of immigration. I believe it would be an excellent move if this report were made public.

As I said at the beginning, I would be willing to accept valid and convincing reasons for the report not being made public. There may be some. I recognize the difficulty, particularly the jurisdictional difficulties. However, I have not yet heard of any difficulties which convince me that the report should not be made public, and with a great deal of interest I am waiting for a better explanation than we have had so far.

Mr. Charles Turner (London East): Mr. Speaker, I have great pleasure in speaking in this debate, not so much because of the content of notice of motion No. 30 but because my riding has benefited immensely from the knowledge and hard work of many new Canadians and because our great University of Western Ontario in London has been chosen by people of many lands as the university in which to increase their knowledge and obtain a higher education. The degrees and diplomas of Western are recognized across the world, and the citizens of London are proud to have the graduates of Western speak as ambassadors of our great city and our great nation. Many students return to their homeland to pass on to their citizens the knowledge they have worked hard to obtain. Many remain with us and become very successful in their chosen field of work. We welcome them all as citizens and students.

Canada's resources of highly qualified manpower are constantly increased or diminished by reason of a number of different flows into and out of the Canadian labour force. The magnitude and direction of these flows are affected by such diverse elements as the state of the labour market at home and abroad, immigration laws and investment in higher education. Some flows, such as immigration, are more readily adjustable in the short term, while others such as the output of the educational system can be altered only gradually.

Graduates from the domestic educational system and the inflow of professional and scientific personnel from other countries are our major sources of new manpower. General attrition—for example death, retirement and emigration of employed members of the labour force—causes the prime loss in the system. The importance of each flow has varied over the years as well as between occupations. Graduates from the domestic educational system provide the largest source of highly qualified manpower. While in some professions such as medicine the number of immigrants at times has exceeded the number of Canadian graduates, on the whole total graduations have exceeded the immigration of professionals into the country.

Immigration, as a proportion of graduations, has varied considerably over the years. In 1954, immigration of professionals was equal to 60 per cent of the number of people graduating from Canadian universities. Net recorded immigration of professionals, for example—immigration less emigration to the United States—was 35 per cent of domestic graduations. In 1961, the respective proportions were 29 per cent and 6 per cent. However, since 1961 immigration has increased considerably. In 1966, immigration was 53 per cent of graduations and net immigration was 44 per cent.

• (5:40 p.m.)

The growth of higher education has accelerated through the 1960s. University and college undergraduate degree courses have expanded at a remarkable rate as enrolments tripled from 73,000 in 1957 to 213,000 in the academic year 1966-67 and 237,000 in 1967-68. This expansion of enrolments foreshadowed a rapid increase in graduate output. For example, in 1950 18,000 students graduated from Canadian universities with a bachelor or first professional degree. In 1960, there were 21,000 graduates and in 1967 almost 44,000. There has been an even greater growth in post-graduate degrees. Masters degrees in 1967 were 268 per cent greater than they were in 1950, doctorate degrees exceeded those in 1950 by 249 per cent and BA degrees increased by 142 per cent.

The rapid rise of enrolments in higher education followed a wave of expansion in Canada's secondary schools, where enrolments more than tripled from the beginning of the 1950s to the 1965-66 school year. Part of this expansion can be explained by increases in the size of the relevant age group and part by rising participation rates. These two factors have been of about equal importance in the growth of secondary enrolments during the 1950s and 1960s, and it appears that they will be equally important during the next ten years.

At the university level, the largest portion of the increase is accounted for by increased participation rather than population increases in the relevant age group. Between 1956 and 1966, full time enrolment rose by 180 per cent, while the 18 to 24 age group only expanded by 30 per cent. This implies that less than one-fifth of the rise in the number of students can be explained by population growth, while over four-fifths was due to greater participation.

A marked characteristic of this expansion of higher education has been the difference in the growth rate of particular disciplines. The distribution of students a decade ago was quite different from today. Expansion in the fields of pure science and education has been striking. Enrolments in these fields increased by about 450 per cent between 1957 and 1967. Arts enrolments have also enlarged greatly, from 26,000 in 1957 to 94,000 in 1967.

Lack of growth, however, is apparent in the fields of medicine and engineering. Only 300 more students were enrolled in medicine in 1967 compared with 1957, an increase of 7 per cent. In engineering in 1967, enrolments were 18,498 compared with 13,050 ten years previously, an increase of 42 per cent. A similar trend in growth is found in the number of students receiving bachelor and first professional degrees.

A different pattern of growth emerges from an analysis of post-graduate degrees. The largest percentage increase from 1957 to 1967 in both masters and doctorate graduations has been in engineering. The former was 403 per cent greater in 1967 than in 1957, and the latter was 741 per cent greater. The proportion of engineering graduates to total graduates at the doctorate level increased from 4 per cent in 1957 to 13 per cent in 1967. This contrasts sharply with the very small growth in first degrees of engineering students.

The social sciences had the largest share of masters degrees, while the biological and physical sciences accounted for almost 60 per cent of all doctorates awarded in 1967. The smallest growth was exhibited in the biological sciences, where graduations in 1967 were not quite 100 per cent greater than those in 1957 compared with an average 170 per cent increase for all fields.

The new supply of highly qualified manpower will tend to follow this growth pattern. However, the number of graduates by no means represents the actual domestic inflow into the stock. There are a number of leakages from the system which will tend to decrease the number of new entrants. There are a large number of foreign students who after receiving education in Canada return to their home country to seek employment.

In 1967 there were 12,900 foreign students enrolled in Canadian universities. This represents approximately 5.6 per cent of total enrolments. While we know that many of these students emigrate after graduation, at present we have no data on just how large this group might be. Similarly, many Canadian students choose, rather than enter the Canadian labour force after graduation, to seek employment outside Canada. Others prefer to continue their studies either within the domestic system or outside the country.

Eventually some of these migrants return and add to the flow into the system. Again we have no estimates of the magnitude of these inflows. We do, however, have some idea of the stock from which this flow might come. In 1967 there were some 12,000 Canadians studying in universities in the United States, and 600 in Britain. Growth of enrolments at universities in the United States has not matched the rapid increase in enrolments at Canadian universities. In the former, enrolments in 1966-67 were 166 per cent greater than in 1952-53. In Canada, total enrolments were 266 per cent greater over the same period.

Interestingly enough, however, the pattern of growth by field of study was similar at home and abroad. For Canadians in the United States, as in Canada, the proportion studying engineering and health professions particularly medicine, declined. Growth in the social sciences was the most striking. Enrolments in the social sciences in 1968 were five times greater than in 1964. This rapid expansion most probably reflects a growing interest in the relatively new discipline of social science.

The flow of foreign, professional manpower into Canada has grown rapidly in the last decade at approximately the same rate as the domestic educational system. In 1950, 4.2 per cent of all immigrants were professional. By 1960, this percentage increased to 14 per cent, and in 1967 it was 26 per cent. Over this 17-year period the absolute number of professional immigrants increased from 1,686 in 1950 to 30,853 in 1967.

While there has been an ever-increasing inflow of highly qualified manpower both from the educational system and from abroad, the outflow of this type of manpower, at least to the United States, has been remarkably constant. The number of professionals emigrating to the U.S. has varied little in the last decade. In 1956, 5,277 professionals left Canada to take employment in the United States. In 1961, 5,285 left and in 1967 the number was 6,386. The net loss to Canada is probably less than the figures show because residents returning to Canada from the United States are not recorded.

Mr. Chas. L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, in reply to the request made by the hon. member for Parry Sound-Muskoka (Mr. Aiken) as to why this report cannot be tabled, may I say it is due to the fact that the study was provided by officials of a foreign government on a confidential basis. It was obtained after the commitment was given by our officials that at least part of the contents of the study would not be made public. Having given this commitment, it is obvious that it is not appropriate for the department or for the government to make public the contents of this document. It is perhaps regrettable but it is a fact. It is the respecting of an undertaking made in good faith. I think that any member of the House who had made such an undertaking would respect it.

• (5:50 p.m.)

It was a document prepared for the very good reasons that were put forward by the hon. member for Parry-Sound-Muskoka. It was designed to develop guidelines by which Canadian equivalence might be established for degrees and diplomas gained in other countries. It was an attempt to evaluate degrees obtained in certain foreign countries in terms of Canadian degrees in the same disciplines, and it covered arts and sciences and all licensed professions.

Evaluating the preparation which an applicant's education gives him for employment in a specialized field in Canada does pose a problem, and this evaluation plays a

central role in the selection of immigrants. In the licensed professions, immigration officials can rely on the licensing bodies set up by those professions and so it is standard practice to advise applicants in licensed professions to write to professional licensing bodies in Canada so as to obtain their qualification equivalency. When it comes to non-licensed professions there is no parallel process for applicants who claim specialized competence. This is particularly true of foreign graduates in the humanities and social sciences, and a relatively large proportion of potential immigrants fall within this category.

The logical course of action has been to assume that the holder of a degree or of several degrees from a foreign university could be considered a specialist in the field of study in which he has concentrated. But the experience of some employers and of Canadian graduate schools has shown that this assumption is not always justified.

It may occur that immigrants on arrival in Canada encounter difficulties in getting their degrees or diplomas accepted. The non-acceptance of the degree then becomes a major obstacle to finding employment and results in understandable frustration. This may happen in spite of the fact that immigration officers abroad did tell the potential immigrant about the problem of recognition of foreign qualifications in Canada. The officers attempt to give applicants among the professions as realistic a picture as possible so as to dispel any misconception which an applicant might have about the opportunity of using his degree immediately after arrival here. The applicant's attention is drawn to the fact that he might be forced to take employment in other fields, at least initially, before working in his own profession. Language requirements and lack of familiarity with Canadian conditions also may play the role of delaying factor in this respect.

The department is always interested to find out what level of competence foreign degrees in arts and sciences provide and in establishing how these degrees compare with Canadian degrees. Research in this field is faced with the task of establishing equivalence between foreign degrees and various Canadian degrees. The problem of equivalence in non-licensed professions confronts the department with great difficulties because very little has been done in the past in this area of research. There does not exist any fund of knowledge as in the case of professional associations with regard to licensed professions.

The difficulty of establishing equivalence between foreign and Canadian degrees is illustrated by the fact that even in Canada two degrees received in the same field are not equivalent if they are granted by different universities. In the strict sense of the word, equivalence means that the courses of study and the contents of the courses are identical. As we know, programs of study vary across the country. However, a Canadian university will usually admit the holder of a degree other than its own to graduate work, and such admission can be taken as a judgment that the degree is equivalent to its own. One way, then, of determining what foreign degrees are equivalent to Canadian degrees is to find out whether Canadian universities usually accept those who hold them into graduate degree programs.

[Mr. Caccia.]

There are at least three levels of graduate studies at which a student can be admitted, each representing a different equivalence. If a student is admitted to a two year master's degree program he may be said to have the equivalent of an ordinary bachelor's degree. Admission to a one-year master's program or to a three-year PhD program requires the equivalent of an honours bachelor degree, and acceptance into a two-year PhD program requires the equivalent of a Canadian university master's degree. These three levels signify grades of specialization.

The holder of an ordinary bachelor's degree is considered to have no real specialist competence. He is admitted to the lowest level of apprenticeship. The honours bachelor's graduate is only an apprentice. In this sense he is merely further along in his apprenticeship. It is only the holder of the master's degree who is recognized as meeting the minimum requirements for a specialist. In Canada, such a degree usually demands 18 years of study and a heavy concentration of courses in his subject. In addition, the preparation of a thesis has familiarized the post-graduate with the availability of data sources and the application of methods and techniques of research.

It must be stressed that admission to a Canadian master's degree program does not mean that a person is a specialist. It signifies only that his background fits him to train to become one. Even in the admission to a two-year PhD program the university may be less rigorous in its definition of a specialist than an employer would be. In this connection it must be considered that a university is a training institution and therefore it can undertake to fill gaps in a student's knowledge.

It is, for example, not uncommon for a foreign PhD student to take one or more undergraduate courses in an area where training was deficient in his home university. An employer who hires a specialist does not ordinarily expect him to undertake training in skills usually learned at the undergraduate level. In the absence of other criteria, university graduate admission standards can provide a minimum definition of a specialist in arts and science areas—

The Acting Speaker (Mr. Richard): Order, please. I have been very good up to now this week, but due to the fact that one of my favourite poets, Ogden Nash, died this week—a man who was very popular, very human—I thought these lines that were published some years ago could have been written last Sunday:

Gently my eyelids close;
I'd rather be good than clever;
And I'd rather have my facts all wrong
Than have no facts whatever.
I didn't go to church today,
I trust the Lord to understand.
The surf was swirling blue and white,
The children swirling on the sand.
He knows, He knows how brief my stay,
How brief this spell of summer weather,
He knows when I am said and done
We'll have plenty of time together.

Isn't that appropriate?

Some hon. Members: Hear, hear!

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DETERMINATION OF PAYMENT FOR WHEAT—EXTENSION OF APPLICATION TO FLAXSEED, RYE AND RAPESEED

The House resumed consideration of the motion of Mr. Lang that Bill C-238, to amend the Canadian Wheat Board Act, be read the second time and referred to the Standing Committee on Agriculture.

• (8:10 p.m.)

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, when the debate was adjourned at five o'clock I was indicating that I was not happy to have rapeseed, in particular, included within the provisions of this bill under which certain grains will come under the authority of the Canadian Wheat Board. I do not understand how the minister could say that he had no intention of making the relevant clause of the bill operative unless certain conditions are met.

He tells us that there will be a plebiscite or a registration of intention in one form or another. He did not tell us what method he would select. However, the fact that Parliament will have passed the bill will give the government the right at any time, even in the dead of night as was the case with the War Measures Act, to implement its provisions without prior explanation. We shall merely see a press release the next day saying, "On the basis of our information, we had to do it this say." The government might claim that it had to act that way because of possible fluctuations in the stock market.

In any event, the producers will have no say in the implementation of these provisions. It is all very well for the minister to assure us that they will not be implemented unless certain conditions are met. I point out that he may not occupy his position one year from now, six months from now or even two days from now; perhaps the Prime Minister (Mr. Trudeau) will shift him to another position. So his assurances in that regard really are not very weighty.

I cannot understand the minister. The committee headed by Mr. Boden that was studying this question suggested that rapeseed should not at this time come under the authority of the Canadian Wheat Board, yet the minister went against that recommendation. The Rapeseed Growers' Association does not want rapeseed to come under the authority of the Wheat Board operations. An article which appeared recently in the Regina *Leader-Post* reads in part:

> Rapeseed producers' organizations in the prairie provinces will fight to have rapeseed excluded from the marketing jurisdiction of the Caandian Wheat Board, Ken Naber, president of the Saskatchewan Rapeseed Growers' Association, said Monday.
>
> Mr. Naber said the groups have requested a hearing before the Commons committee on agriculture to plead their case.

I know that Mr. Forrest Hetland, former head of the Rapeseed Growers' Association, felt that rapeseed should not be included under the Wheat Board's authority and that the present marketing system was satisfactory. If the rapeseed producers do not want rapeseed to come under the authority of the Wheat Board, surely we should not do it merely because the NDP want us to. I do not accept the NDP challenge and I throw it back in their teeth. They want this to be done merely because of something some of their members said 20 years ago. That is no reason for dragging rapeseed growers into this bill. They should not be manipulated by a group of people who do not understand rapeseed growers' interests. Surely the producers know what is best for them. I can visualize headlines in western newspapers pointing out what some Members of Parliament are advocating.

We know what has happened with our wheat sales; we know how much wheat has been sold. It has been piled up all over the Prairies. We know what has happened to our barley and oats. We have almost gone out of production in some cases. We grow just enough to satisfy our own requirements. Some farmers do not grow enough to fill a bowl of porridge. Why must the rapeseed growers be dragged into this situation? For years the industry fought toward its goal and it is now reaping the reward—but not in this bill.

I want to pay tribute to a former member of this House, a colleague of mine. He is now a constituent of the minister's. Reynold Rapp fought long and hard on behalf of the rapeseed people. He was instrumental in having rapeseed included in the definition of "grain", thus making it possible for it to be carried under the Crowsnest Pass arrangements. The work he did encouraged the production of this grain. Why drag it in now and put it under the authority of the Wheat Board, Mr. Speaker? As has been indicated, pooling arrangements and the quota system mean that there is an averaging in this regard. What will we gain by including rapeseed? Salesmen have enough trouble selling wheat. How on earth will they sell rapeseed? Will they switch from wheat to rapeseed? Will the board employ new men?

Let me point out that the rapeseed growers know their business and have contacts in the markets. In a newspaper clipping, which I do not have before me, Charles Gibbings said that putting all these commodities into one group, to be administered by the Wheat Board and having them serviced by one salesman, just will not work in future. The people who sell rapeseed must be interested in selling. Of course, if an unconscionable amount of profit were being made, perhaps there would be room for concern. But that is not the case. We have been successful in selling that commodity. The minister knows that the industry is trying to empty the elevators. That, as he said, is to our advantage.

There is another reason why I do not want rapeseed included within the ambit of the Wheat Board's authority. We do not know what will be the effect of the government's grain receipts stabilization policy, and if this bill is passed in its present form it will mean that the minister could implement certain of its provisions within six months, say, and include rapeseed under the

authority of the Wheat Board. When the minister stabilizes grain receipts, what yardstick will he use? How will he determine how much is to be received and by whom? Although the minister has suggested that rapeseed will not be included, I am not reassured. I should like to know how that stabilization policy will affect the western elevator system.

The hon. member for Yorkton-Melville (Mr. Nystrom) suggested that the elevator companies are making the money. He said that the elevator companies are the big birds we should watch for. Frankly, I am wondering how the elevator system will survive in the next year or two if we implement this stabilization program. What effect will removal of elevators have on the small communities? I can just imagine the sort of struggle that will go on between communities which want an elevator near them.

I have lived in small communities and I know how badly some of them want a little hospital or municipal office in their midst. They want something that will attract people. If you remove their elevators—and this is bound to happen—what will the farmers of the area say? If the elevators go, it will mean that costs will go up. I should like to see just how this master plan will work, the master plan that says we must include rapeseed, flax and rye under the authority of the Wheat Board. Is the Wheat Board to control everything we do? Theoretically, that may be the effect of this bill.

I am saying that this bill is an unholy mess and I am afraid of the effect it will have on our communities and on our producers. I know some people will say, "We were stymied with wheat, so why should we be stymied with rapeseed?" They will say, "We were in trouble when we tried to move wheat from province to province, let alone out of the country." I ask the minister why he must enter this area right now.

None of the growers support this bill. The Rapeseed Growers' Association do not want it. The committee which studied this matter does not want it. The only group that wants it is the group to my left—to satisfy their dream of Utopia, where the state has everything.

• (8:20 p.m.)

An hon. Member: You are kidding.

Mr. Korchinski: I am not kidding. I either believe you or I do not. Either you tell me what you believe or there is no point saying it. I want to know how the minister will go about this. If the minister would hold a plebiscite and if the plebiscite indicated that the producers wanted in, there would be only a five-minute debate in the House. Who would oppose it if the plebiscite so indicated it was the producers' wish? If a plebiscite is held, every permit book holder should not be asked his opinion. As I pointed out, the egg producer is not the one who produces the grain that feeds the chickens that lay the eggs.

If the minister is serious with regard to flaxseed and rye, I am not greatly concerned. However, I am vitally concerned about the rapeseed industry. That industry has not been developed. It has a long way to go. As a matter of fact, western Canada is just tapping the eastern market. We want to be able to compete with the Soviet industry, the peanut oil industry, the coconut oil industry, and so on. Are we going to be successful, or are we going to be stymied by bureaucratic inertia? These people have a direct interest—their survival. This crop has been their only income for a long time. It is the only income for many people who produce rapeseed; that is why they went into production. Although they did not know anything about rapeseed, they saw that their neighbours were able to sell it. They sat and wondered what to do next. They talked to their bankers. While interest rates were going up and up, the rapeseed producers had a few dollars at their disposal.

I plead with the minister to withdraw this clause. If a plebiscite were held and its results were in the affirmative, I assure the minister that this bill would be passed in five minutes. Bills have been passed in short order, without contention. It does not require a lengthy procedure. We would have to go through the procedure just as we do on first reading of a bill.

Either the minister's words mean something or they do not. His master plan must mean something. There will be a link missing from it if this clause is not included; perhaps that is the reason he will not withdraw it. If the minister has a plan, I as a producer would like to know the details of the plan. I would like to be able to tell something to the producers in my area. I would like to know how many elevators will be left. I would like to know how we are to survive under this master plan that the master-mind has produced.

Mr. Don Mazankowski (Vegreville): Mr. Speaker, I wish to make a few comments on Bill C-238, particularly as it relates to the inclusion of flax, rye and rapeseed. The other clauses of the bill are basically consequential and I find no fault with them.

In his original statement the minister again caused a great deal of confusion in the minds of many producers and saw fit to bring out press releases in order to try and alleviate some of the fears. Frankly, I do not know where the minister or the government stand on this measure. I do not know whether they favour the inclusion of flax, rye and rapeseed or whether they are leaving it to the whim of those who assert the most pressure. If the government is not firmly established in its position, I ask the minister why he has bothered bringing in the legislation at this time.

In his press release the minister stated:

> —these sections may never be used and certainly will not be used except after full support of the move is received from producers based on a thorough discussion of the issues.

Like the hon. member for Mackenzie (Mr. Korchinski), I ask how these consultations will be carried out. Will there be discussions? Will it be done in the form of a plebiscite? Will it be based on the reactions and representations of the various farm producer groups, or by way of plebiscite? If consultations are held, I hope they are better than those which were carried out before Operation Lift was instituted.

At page 6625 of *Hansard* for May 6, 1970, the hon. member for Marquette (Mr. Stewart) asked what producer groups were consulted before Operation Lift was established. The minister replied that the Alberta Wheat Pool, the Saskatchewan Wheat Pool, the Manitoba pool elevators, the Canadian Federation of Agriculture and the National Farmers Union had been consulted. The minister further stated:

> All consulted expressed support for the final version of Operation Lift as a necessary inventory reduction program to place the western grains industry on a solid footing for long-term industry policies and programs.

When talking to these producer groups they told me that they were presented with a *fait accompli*. This was the program, and there were to be no changes. It was "take it or leave it." If this is going to be the case with these pieces of enabling legislation, there is certainly cause for fear and apprehension among many producers who feel very strongly about the matter, particularly the question of rapeseed coming under the jurisdiction of the Canadian Wheat Board. I ask the minister! If in the opinion of the government it is desirable to include these grains under the Wheat Board Act, will Parliament have an opportunity to deal with the matter? Will we have an opportunity to debate the proposal, or will it be invoked or introduced, as the hon. member for Mackenzie suggested, in the same manner as the War Measures Act?

The majority of producers are very concerned about the prospect of these grains being included. In fact, the prospect of inclusion has already had a detrimental effect on markets. The minister knows very well that rapeseed has provided one of the major cash crops in western Canada. Its growth has been phenomenal and its marketing program has been fantastic. In the past three years there has been a doubling of acreage and a doubling of production in each consecutive year. There have been no marketing problems. This is one of the few commodities produced in the western agricultural community that can readily be turned into cash. I might mention that cattle is another. These two commodities, rapeseed and cattle, have in large part been responsible for sustenance of the western farm economy during this time in which very serious problems confront the industry.

• (8:30 p.m.)

The measure before us gives the Governor in Council the option of bringing these grains, at will, under the government marketing agency. Of course, we know very well what the Minister of Agriculture (Mr. Olson) would like to do with the cattle industry. He has not seen fit to bring in the appropriate amendment to exclude cattle. The desire far being included has spread to the hog industry as well. We know very well that these two commodities have been successful in the free market place and there has been no government interference. I believe the producers do not want government interference with these two commodities.

Certainly there have been problems in marketing, but not nearly the problems encountered with the marketing of grain under the jurisdiction of the Wheat Board. In many cases the decisions which are being made with respect to sales policy are not always those which relate to the economic considerations of the day. Rather, many of them are political decisions. We have enjoyed a fairly consistent market and the producers want no part of seeing rapeseed brought under the control of the Wheat Board.

This leads me to examine the minister's observations about the success of the efforts made to sell wheat. Introducing the bill, the hon. gentleman talked about the vigorous sales program in which the Wheat Board has been engaged, the resurgence of sales and the fantastic numbers of sales which have been made. It is clear to me that results have not been lived up to the optimistic forecasts which were contained, for example, in Outlook 1971 which indicated we would be marketing some 500 million bushels of wheat.

If we look at the mini-Outlook which is dated March, 1971, we find it stated that the continuation of the government's more competitive export policy in 1970-71 should result in sales of the order of 350 million to 400 million bushels. Taking the higher figure of 400 millions bushels, we note there has been a drop in the projected sales target of 100 million bushels. I need only remind you, Mr. Speaker, that last year we marketed 347 million bushels, and before that 306 million bushels. So when you look at Canada's surplus in relation to the amount of publicity that is being created, you find that the increased sales are not really significant and, of course, the increase which has taken place has not resulted in any great financial benefit to the farmers.

The opposition has constantly reminded the minister that all is not well with our marketing performance. It is interesting to note that it is not only the opposition which has taken this view. It is widely circulated in the western farm papers that the great wheat selling job we were led to believe is going on, has not in fact taken place. I refer to page 6 of the *Free Press Weekly* dated May 15. It is not normally my habit to quote at length, but in this case I feel justified in doing so. This article, entitled "A big selling job ahead", is of particular interest because the minister has accused opposition members of belittling a gigantic selling effort. I appreciate the fact that the minister has tried. He has done a great deal on his personal initiative. What I object to is some of the false optimism which has been created by misleading propaganda statements. The article begins by asking a question:

> Have the predictions of record exports of grain including wheat been substantiated by the first nine months of this crop year? The answer must be, no.

Mr. Lang: Would the hon. member permit a question? Can the hon. member show me where the minister, or anyone else on behalf of the government, predicted anything beyond a range of between 400 million bushels and some higher figure of bushels of wheat exported in the forecast 700 million bushels of export of grain? I do not take responsibility for what the press may have said. I am talking about what the minister or the government may have said.

Mr. Mazankowski: This was circulated very widely.

Mr. Lang: Give me the source.

Mr. Mazankowski: I am sure the *Free Press Weekly* has a certain amount of credibility, perhaps more than the minister.

Mr. Lang: Give me the source. Where did I say it?

Mr. Mazankowski: I referred to Outlook 1971. There was the prediction that something in the order of 500 million bushels would be exported.

Mr. Lang: Wrong again.

Mr. Mazankowski: Then there is the Canadian Agriculture Outlook which is an official publication of the Department of Agriculture. I intend to deal with the question of statistics in a few moments, because it is covered in this article. The correspondent continues:

Exports of wheat and wheat in the form of flour from August 1, 1970, to April 14, 1971, amounted to 261 million bushels. The average weekly rate was about 7.4 million bushels. Based on this average, total exports to the end of the crop year would amount to about 385 million bushels. The minister was reported to have predicted exports of 700 million bushels of all grains of which he estimated 500 million bushels would be wheat.

The all-grain export figure to April 14 was estimated at 423 million bushels or an average of 12 million bushels per week. With 16 weeks to go in the crop year and based on the average to date, all grain exports would total around 600 million bushels of which approximately 400 million bushels would be wheat.

The article goes on to say that the estimated carry-over at the end of the crop year 1970-71 is 750 million bushels, a figure which has been exceeded only twice in the last ten years.

• (8:40 p.m.)

With an estimated 750 million bushels carry-over, it will be readily seen that Canada still has a big wheat selling job in its hands.

Once more Mr. Lang has been issuing figures which are not borne out by the facts. This policy may have a short-run political appeal, but even this is doubtful. Any figures issued by the Canadian government should carry cold, calculated considerations on what can be done, instead of optimistic guesses which do not pay off either with the western producer or Canada's buyers abroad. There is always the danger that a credibility gap will be established which may take years to live down.

It goes on to state—I believe this point has been made by hon. members who have spoken previously—that the board is not an autonomous organization any more. It continues:

—the board is now not a board controlled by the producers but, due to the financial position, must of necessity be under strict direction of a minister of the Crown.

As evidence of this, nearly all pronouncements on policy come from the government and not the board. It is essential that the board should operate in such a way that its autonmy should be restored and that the organized producers should know that the board is operating in a surplus position again. This is the intent and the meaning of the Canadian Wheat Board Act, which gave the board this autonomous position, so necessary for an efficient operation.

When we criticize the performance of the Canadian Wheat Board, the majority of us do not criticize its structure or its principles. What we criticize is the leadership it is given. As this article states, the Wheat Board's instructions come directly from the government. A look at the World Wheat Review reveals another interesting statistic. The number of bushels in commercial storage as of March 31, 1971, compared with the same period in 1970, was 170 million bushels of wheat less than the previous year. The Menzies committee recommended that the commercial stock of wheat should not exceed 250 million bushels. While this recommendatcon is not yet government policy, according to the World Wheat Review we find Canada has 252 million bushels in terminal positions and in elevator positions at the present time. This is down from 421 million bushels last year and 406 million bushels the year before.

What does this mean? It simply means there is less cash being distributed to the farmers. This morning in the agricultural committee, representatives from the Canadian Wheat Board dealt with this specific item and indicated that some 46,000 farmers have outstanding commitments under the provisions of the Prairie Grain Advance Payments Act, and the low deliveries of wheat is the reason for this situation. More wheat is moving this year than last year, but the very fact that stocks in commercial positions are decreasing is playing havoc with the western Canadian economy; correspondingly, much less money is being distributed.

What does this mean in terms of dollars and cents? So far as marketings are concerned, the average yield from the year 1959-60 to 1968-69 as at March 31, was $278 million. So far this year the amount is $190 million, almost $100 million less than the long-term average flowing into the western farm economy. The government says it is pumping another $100 million into the farm economy under its stabilization program, and it is little wonder that the farmers are in such dire need of an injection of cash. While this is welcome, we are aware of the many additional ramifications to this measure.

The World Wheat Review also indicates that over-all sales throughout the world have increased by 30 per cent this year over previous years. So naturally Canada should be increasing its sales too. The question that we have to ask is whether Canada is increasing its market penetration. There is a great difference between sales volume and percentage of penetration in world markets. According to the Canadian Wheat Board report, at the beginning of the crop year 1969-70 the outlook for an improvement in international wheat trade was bleak. However, optimism grew in Canada as the crop year progressed for it became obvious that the U.S.S.R. and Argentina would harvest lower crop yields and that supplies of quality Australian wheat would be reduced. Naturally, this would have a greater impact on sales by Canada than previous years. But have we increased our market penetration. That is the point of significance here.

This leads me to another matter that I have raised in this House previously regarding the marketing policy of the Canadian Wheat Board. I refer to the various outstanding contracts now held by the Canadian Wheat Board. The minister has commented on these contracts and they are referred to at pages 14 and 15 of the annual

Wheat Board report. The Canadian Wheat Board also issued a press release in which Mr. Treleaven, assistant chief commissioner of the board, said that with one exception all countries contracting to buy wheat from Canada had fully lived up to their agreements. There is an article entitled "Default charges denied" in the Manitoba *Co-operator* of May 13, 1971. When I raised the question in the House I was merely seeking clarification in asking the minister to comment on these various outstanding contracts. I did not use the word "default"; I used the word "outstanding", and I covered the majority of them.

I ask the minister this question: If these various countries have lived up to the terms of their agreement, why then in the case of the U.S.S.R. did we have to go through a renegotiation of the contract? Why was it, with respect to the People's Republic of China, that amendments were made to the long-term agreement? Why was it, with respect to Bulgaria, that the entire quantity contracted for remained outstanding and a new contract was written up? Why was it that a three-year agreement with Poland for 33.1 million bushels, which was due to expire on November 4, 1969, was extended to July 31, 1971? Why is a long-term agreement with the Democratic Republic of Germany still outstanding? Why was the contract with the Philippines, which was due to expire on August 30, 1969, extended to September 30, 1971? Why was it that the contract with the United Arab Republic was not entirely filled?

If it is true that these countries lived up to the terms of their agreements, one then must ask the minister to tell us whether it is because Canada has not been able to deliver in sufficient quantities the kind of grain that was bargained for. I am not playing politics; I am merely seeking clarification.

Mr. Lang: Read on.

• (8:50 p.m.)

Mr. Mazankowski: Yes, I have been quoting. These are some of the things we want the government to deal with. I see the minister shaking his head. I am merely quoting from the Canadian Wheat Board report. I hope it is clarified without any fanfare. We have a situation which I believe warrants clarification. The Canadian Wheat Board certainly is not to be treated as a sacred cow. I believe it has some blemishes and I think this is the place to air them.

Now I should like to turn to the question of rapeseed. The rapeseed industry in Canada has been one of the most successful and has contributed to the survival of the grains industry in western Canada. I believe its success is owed in great part to the ingenuity and talent of Mr. Jim McAnsh who is the executive director of the Rapeseed Association of Canada. I am sure the minister will be consulting this gentleman and the association because they have some very explicit fears about the inclusion of these grains under the jurisdiction of the Canadian Wheat Board. I should like to quote from the Free Press Weekly of May 15 which quotes Mr. McAnsh as follows:

> He fears that the threat alone may have curtailed interest in the rapeseed market and could have contributed to recent depression of prices in Winnipeg futures.
>
> "We will not be assured that the spectacular growth and development of the rapeseed industry in Canada will continue until we are able to fully determine the scope and intent of the proposed changes," said Mr. McAnsh.

The article continues:

> "The Rapeseed Association of Canada, which was brought into existence four years ago to promote and expand markets for Canadian rapeseed, while comprising all segments of the industry, includes in its membership roster a preponderance of rapeseed producers.

I reiterate that there are a large number of rapeseed producers included in this association. I believe it has become abundantly clear that the Canadian Wheat Board is too far removed from the producers' interest at the present time. There is no direct producer representation other than though the advisory board. I think it is very important that the producers themselves become closer to the marketing facilities. The article reads further:

> By working shoulder to shoulder with the grain trade, processors, and grain handling companies, including the producer-owned companies, what was so recently a struggling industry has exploded into one of the most promising enterprises in western Canada," said Mr. McAnsh.

It continues:

> A number of Canada's overseas customers have registered their protests regarding the proposed changes and do not appear to be completely reassured by the repeated statements by the minister that no change in the marketing system for rapeseed is contemplated at this time. Some importers of Canadian rapeseed who have been making forward contracts into the first quarter of 1972, are believed to have withdrawn from the market," concluded Mr. McAnsh.

Then we find these words:

> As a cash crop that could be marketed and sold, rapeseed has been a lifesaver when other grain crops (primarily wheat) filled the producers' bins to the bursting point and apparently couldn't be marketed.

When asked whether governments should become involved in commodity promotion, Mr. McAnsh, the rapeseed executive, replied in a very definite and categorical way, "No". I believe we have been very successful in penetrating the market. Certainly I do not see any reason for trying to disrupt it at the present time. A number of producer groups feel very much the same way. I do not believe we should provoke any further apprehension. I think that before the legislation is proceeded with something firm must be stated by the minister concerning the manner in which he proposes to determine whether this measure has the support of the producers. We could then deal with the legislation in a much more expeditious manner.

I should like to quote a comment made by Mr. C. P. Kokott, secretary of the UGG local board in Lavoy, Alberta, which happens to be in my constituency. He refers to an annual meeting held on April 22 at which a

resolution was passed demanding action and requesting that the information be forwarded to the attention of the minister. The quotation is as follows:

> I was directed to . . . present our local's strongest protest against the machinery that is in motion for the absorption of rape and flax to come under the jurisdiction of the Canadian Wheat Board—
>
> Our local feels that the board has made a mess of the wheat situation in the last number of years and we would sooner gamble with rape on the open market, than let them gum up the works—
>
> I would appreciate your passing our feelings to . . . the powers in Ottawa who seem determined to bury us in our summer-fallow.

Mr. Speaker, these are some of the fears the producers and producer groups have in my part of the country. Alberta is a significant producer of rapeseed. I would hope, as the hon. member for Mackenzie suggested, this portion of the bill would be withdrawn or amended in such a way that the producers, either through a plebiscite or some other form of referendum, could indicate their desire one way or the other.

The members of the New Democratic Party want this measure adopted. It meets with their approval. However, I say to the minister through you, Mr. Speaker, that the group lost its credibility long ago. We have only to look at the side they were on in the recent rail strike threat. In the course of the debate the hon. member for Regina-Lake Centre (Mr. Benjamin) suggested that the members of the Conservative party would have to make up their minds because they could not have it both ways. I say to those hon. members who allegedly support the western farm interest that it is they who will have to make up their minds, because they will have to establish themselves as either coming out on the side of the farmers or on the side of the unions. They cannot serve both; they cannot have it both ways.

I believe therein lies a conflict of interest. The hon. member for Regina-Lake Centre referred to parasites living off the backs of farmers. I would sooner have live parasites serving a useful purpose than half-dead ones living off the western farmer. The members of the New Democratic Party are in a position in which they are waffling in respect of where they stand with regard to Bill C-176. The basic philosophy is agreeable to them but they know the majority of producers are not with them.

It is interesting to note that the Barber commission also has a very interesting section on the matter of unions in respect of the difficulties many farmers have experienced in obtaining repair parts, particularly during the busy season and at weekends. A press release of the Royal Commission on Farm Machinery points out that farmers have encountered difficulties because of weekend interruption of parts supply and delivery services. Because of union agreements affecting assignment of staff duties and overtime pay the companies are sometimes unwilling to supply weekend service. The cost may run up to $45 to meet a single emergency. Union regulations of this kind appear to show an almost callous disregard on the part of the union for the welfare of farmer customers. So here again we have a very significant development. We know

that the members of the New Democratic Party are largely supported by the labour unions...

• (9:00 p.m.)

Mr. Thomson: The labour unions certainly did not elect me.

Mr. Mazankowski: If that is so, then I suggest to the hon. member for Battleford-Kindersley (Mr. Thomson) that he had better start looking after the farmers rather than the labour unions, or he will not be here the next time. It is only fair to say that you cannot serve two masters. I am sure the minister knows that these birds only speak for a few.

Having said that, I hope the minister in his wisdom—and I respect his intelligence—will see fit to withdraw that provision or will accept an amendment which I believe will be proposed, so that we have at least one segment of the grain trade free of the shackles of government impairment.

Mr. Stan Schumacher (Palliser): Mr. Speaker—

Mr. Boulanger: Here is another filibuster.

Mr. Schumacher: I do not know what the comments coming from the hon. member for Mercier (Mr. Boulanger) have to do with the subject at hand, but after all it is his side of the House that is proposing this legislation which even the minister who is proposing it says will probably not be used. The trouble is that the minister will not be around forever; somebody else might be slipped into his slot and might use the legislation. That is why we are taking this opportunity to oppose the legislation. I think the time of this House should be used for things that are necessary, and even the minister who is proposing the legislation says it is not necessary at this time. Therefore there is plenty of time to talk about it if the government insists upon calling it.

This bill, like its comrade Bills C-244, C-239 and C-176, is designed to make agriculture the most closely regulated segment of our economy. These four bills subject the producers of agricultural products to totalitarian control. The various agenices of government will be able to monitor the producer's every move. This legislation falls particularly heavily on western farmers. Perhaps the government is not aware of the feelings of western producers, which might be understandable because they do not have many members from that part of the country.

There used to be a time when there were no Liberal members from the provinces of Alberta and Saskatchewan. Of course, the cry at that time during an election was, "Give us some members so that we will know what you want". Well, that is not the case now. There is representation on the government side from every western province. However, we do not find that that representation is doing much to protect the interests of western Canadians, so I do not think that argument can be used any more.

We on this side of the House have to pay attention to what is happening because our electors recognize the forerunners of tyranny, especially when they take such blatant form. Western producers have no great desire to become indebted to the federal government nor to have their every move subjected to intense scrutiny by the deputies who will be set up following the passage of these four bills which constitute the government's answer to the agricultural problems of Canada.

I think it is quite clear that this approach is not working. We find that the electorate of Assiniboia have been unrepresented since the month of January. The government did not take the opportunity of calling a by-election in that constituency when it called by-elections in Ontario, Quebec and Nova Scotia. I understand there is a possibility that it may even be having difficulty in locating a candidate to bear the government's colours in that contest. I think this should be a hint to the government that its policies are not particularly pleasing to western electors.

The government does not seem prepared to back down in any way. I suggest that it takes courage to admit that a mistake has been made, but this government does not appear willing to display any such courage. It seems the government lacks courage in that respect. Rather, they seem intent on forcing a policy down the throats of those affected by the legislation and at the same time they have the gall to insist that it is good for them.

It is true that western farmers would like the aid of the government because as a result of old policies they find themselves in a state where aid is really necessary. They would like some assistance in marketing their produce but they do not want to be helped to death, because the type of help which the government is proposing will not improve the health of their economy. As a matter of fact, the Minister of Agriculture (Mr. Olson) said it was this government's policy to reduce the number of small farms. I agree that the type of legislation proposed under the four bills that I have mentioned, of which this is the principal bill, would have that result.

I ask whether it is sensible to include flax, rye and rapeseed under the jurisdiction of the Canadian Wheat Board. It certainly does not seem so. If these commodities are doing well—and I do not think there is any dispute in that regard—this does not seem necessary. The hon. member for Mackenzie (Mr. Korchinski) and the hon. member for Vegreville (Mr. Mazankowski) have mentioned figures which show that this is a very successful crop.

When I spoke in the debate on the amendment to the cash advances legislation I referred to the rapeseed crop as being the Cinderella crop of western Canada. I think that it bears repeating that this crop has reached that stage with a minimum of regulation. I cannot say it is absolutely without regulation because as a result of amendments to the Canadian Wheat Board Act of 1962 it is considered a grain, and the Wheat Board interprets that as a mandate to regulate deliveries of the crop even though they have no control over its marketing. As I said previously, the government prohibits farmers from selling rapeseed in markets to which it could be delivered but for the regulations made by the Wheat Board.

• (9:10 p.m.)

Sometimes I wonder why they need this further amendment when they can control the movement of that grain, or would appear to be able to control it, under the existing legislation. It seems to me that the only logical explanation for the government's presentation of the bill at this time is the desire to have more power. I ask why it wishes this extra control. It can scarcely be because of need to improve the situation with respect to rapeseed, flaxseed and rye because that situation is fairly satisfactory at present.

The usual reason given for government intervention in the economy is that it is to correct some fault. But what are we to think if certain things are included in legislation which do not need correction or guidance? It is becoming increasingly apparent that the government seeks power for its own sake. Indeed, in the four bills that I have mentioned it has laid a plan to seize what amounts to absolute control over agriculture. Lord Acton said that absolute power tends to corrupt absolutely. We expect those who have the responsibility of power in the government to behave responsibly and to be true to their oftenstated principles.

Daily my colleagues and I on this side of the House receive letters of bitter complaint from our constituents, protesting in the strongest possible terms the government's mismanagement of their economy and of the economy in general. Lately I have received more letters relating to the government's misrepresentation and mismanagement of the Lift program than I have received about anything else. Many of my constituents are beginning to feel they were sold a bill of goods with respect to the Lift program. During the period leading up to the closing date, two or three pamphlets were issued by the department, but they did not say the same thing and some farmers had already made a decision on the basis of an earlier pamphlet. Later the rules were changed, but they were not informed of the change.

Some members of the New Democratic Party, in particular the hon. member for Yorkton-Melville (Mr. Nystrom), have said that this legislation would be good for the grain industry. That hon. member said there was a demand for it, and when questioned he said the demand came from the producers' organizations. I suggest he is a little naïve if he thinks the producer organizations actually speak for their members. He would be well advised to consult his constituents instead of depending on the so-called farm leaders.

In February I sent a questionnaire to every farm home in my constituency and I received a 25 per cent response. Question No. 5 asked: Do you feel the Canadian Wheat Board is doing a satisfactory job? I think that is a fairly straightforward question, not loaded in any way. In response, 37 per cent thought it was, 55 per cent thought it was not and 8 per cent were undecided. As a result, I do not think anybody could say that the farmers in my

constituency have a great deal of confidence in the Wheat Board.

Question No. 6 asked: Do you feel rye, flax and rapeseed should be brought under the jurisdiction of the Wheat Board? In response, 32 per cent said yes, 57 per cent said no and 11 per cent were undecided. I feel that questionnaire has given me a certain amount of guidance. Even if those who replied thought that rapeseed and the other grains should be brought under the Wheat Board, in view of their replies to question No. 5 I could not go along with the proposal because they did not think the Wheat Board was doing a good job.

I would be interested to know if the hon. member for Yorkton-Melville made a similar inquiry of the people he represents, because he might find them holding an opinion different from his. He shakes his head. I gather he has not made such a study.

Mr. Nystrom: Yes, I have.

Mr. Schumacher: He says he has.

Mr. Nystrom: And found very strong support for the Wheat Board.

Mr. Schumacher: During his remarks he did not make any reference to what that study revealed. This evening the hon. member for Vegreville referred to the performance of the Wheat Board in selling wheat. I suggest that until that board can produce some evidence that it is effective in marketing our major crop, there is little reason why we should give it more responsibility.

Mr. Nystrom: Would the hon. member be willing to accept a question?

Mr. Schumacher: Yes.

Mr. Nystrom: In view of the survey the hon. member has conducted in his constituency, can he say whether or not he is in favour of abolishing the Wheat Board, since in his opinion it is obviously doing such a bad job?

Mr. Schumacher: I do not think we should abolish the Wheat Board, but serious consideration could be given to reforming it. This kind of question strikes me as the type the Prime Minister (Mr. Trudeau) is so fond of asking people who are supposed to be asking him questions. I do not think it is useful in getting at the facts of the matter. I certainly would not be opposed to abolishing the Wheat Board, but I think there are certain positive steps that could be taken to make it an effective body. However, until those things are done no consideration should be given to increasing its jurisdiction.

Mr. Nystrom: May I ask the hon. member if I heard him correctly when he said he would not be opposed to abolishing the Wheat Board?

Mr. Schumacher: I think you did. I was attempting to say that I felt the Wheat Board should be retained, but that it should be reformed so that it could do the job it is supposed to do; and until it is reformed, rapeseed has no place under its jurisdiction. To use one of the government's favourite words, would it not be more reasonable to leave the Wheat Board to concentrate on selling wheat, hopefully with renewed vigour, rather than encumbering it with commodities that private individuals can handle to their own satisfaction, and here I mean the producers?

I am at a loss to discover what valid explanation the government can give to justify this intrusion. The government itself says that this legislation is not necessary and probably will not be used. It is this "probably" business that bothers me. The government has not found one yet and I am not sure it is even trying to find a bona fide reason to explain why we need to bring rapeseed under the jurisdiction of the Wheat Board.

• (9:20 p.m.)

On Friday, May 7, the minister told the House that he was trying to maintain farming as a viable and effective way of life. If this is so—and I must take the minister's word that this is the government's intention although it is rather difficult at times to see concrete evidence of it, then they are certainly going about it in the wrong way. As reported at page 5603 of *Hansard,* the minister had this to say:

> It is very true that it is our belief that we should try to assure that the total system, where the government has any control, should be made as effective as possible to maximize returns to those involved in farming. I want to state, as a fundamental matter of our philosophy, that we do not in any way have the view that anyone should be made to move off a farm if he chooses to live on it.

Perhaps this is an admirable philosophy but I can only remark again that the government is not going about it in the right way. If people are making a success of growing rapeseed, why not leave them alone? They have entered a profitable market on their own initiative. What could be more discouraging and calculated to drive people off the farm than this unwarranted intrusion which is fated to reduce their freedom and to impose quotas on their crops? If they can now sell all they can grow, then I say all power to them—the economy needs more success stories like this. But this government cannot seem to leave well enough alone.

I note with interest that the minister said "where the government has any control". It would seem that the government does not want "any" power; it wants "all" the power. It seems that the government is intent on giving assistance to the farming community. The catch is, it does not matter whether they want it or not. The government wants to standardize and stabilize. Do they want to standardize our freedoms so that the farming community is completely under their thumb?

It must be obvious what they want to do. While the minister said that he did not want to see farmers leaving the land unless they wanted to, the government's program seemed to state that while people may be able to stay on the land, it will be at a very reduced standard of living. Offering support to those who have not made a success of farming, on condition that after they have gone the farm will be forced to become part of a larger unit or to become Crown land again, does not seem to

give people a choice. Unless the government can establish policies that would make their stay on the farm economically worth while, then the government has failed in its job.

Mr. Speaker, this bill leads to uncertainty because it gives a discretion to the government. I would suggest that uncertainty and ambiguity are the hallmark of all four of these bills dealing with the subjugation of agriculture to the whims of the Liberal cabinet. Powers are handed out with wild abandon; powers which are poorly defined and with no check on their use. This hardly seems to be a step to promote democracy—but has the government ever been concerned with the system on which our government is based?

Contempt is piled on this chamber in many different ways. I would say the simple reason for this is that we sometimes impede the progress of some people who think they belong to the elite and who happen to have progressed to the treasury benches. Apparently when they sit there they think they should be making the decisions for everybody in this country. Our system of government is representative and this government will not last much longer if it continues on its course.

I noticed an item in today's news to the effect that one of the government's former supporters—I guess he is a former supporter since he took the liberty of resigning his seat—a member from that great metropolitan area of Toronto, has decided that he cannot with any enthusiasm continue to sit here. I think this is symptomatic of what the government is doing. It is not able to keep up the morale of its own people.

The government accuses the opposition of being obstructionist. I do not accept that charge, Mr. Speaker, because I do not think it is our duty to follow what the government in its wisdom thinks are the best solutions to our problems without indicating that they may have made a mistake. This bill is a classic example of where the government has made a mistake. The minister had to issue a press release to reassure the industry that the Wheat Board probably will not be taking it over immediately. We are still forced, however, to spend time debating a matter that the government itself says is unnecessary. This makes one very suspicious, because the government says it has many other things to do. If that is the case, why are they taking time to more or less push this bill and its companion pieces of legislation through the House?

I think the accusation of obstructionism is nonsense, Mr. Speaker. We base our opposition on the strongest possible foundation—the desires of our constituents. They are united in repulsion from this plot of the government's to seize what freedoms are left in our agricultural economy. Our opposition is the expression of the disgust of our electors, and we dare not ignore them. We are not so arrogant as to place ourselves above the interest and demands of those who entrusted us to speak for them in this chamber. To suggest for one moment that the opposition has no basis of support for its position on this and the other three bills is, in my submission, an insult. I believe that the Leader of the Opposition (Mr. Stanfield) has received some 47,000 communications relating to another part of the package with which we are dealing tonight. We would be very remiss in our duty if we did not continue discussion of this matter. After all, the government has come to think of itself as infallible.

• (9:30 p.m.)

I point out, Mr. Speaker, that the minister piloting this bill through the House says it is not necessary legislation. Since the sponsor of the bill says it is not necessary, we feel that the government is imposing on this chamber by proceeding with the bill. The supporters of the bill, according to their statements, are clearly at odds with one another. For example, in his statement of October 29, 1970, the minister said that policies and programs to assist the farming industry must strengthen rather than blunt the commercial aggressiveness of each part of the industry. My constituents believe that the bill will have the opposite effect. The minister also suggested that the quantity of rapeseed that can be successfully marketed has not yet been determined. Will not the legislation do just that: will it not bring in the Wheat Board as the regulatory body to regulate the quantities to be sold before sufficient time has elapsed to permit us to determine just how big that market is?

I think this legislation overlooks the need in western Canada for the maintenance of cash crops. As is well known, rapeseed, flax and rye are probably the major cash crops. Other crops are being developed all the time, crops such as buckwheat, sunflower seeds and other commodities. Because of the government's failure in marketing wheat, a major crop, the western agricultural community is faced with the need for raising what are known as cash crops which can be marketed outside the control of the Canadian Wheat Board at market prices. As the hon. member for Mackenzie pointed out, rapeseed, a cash crop, saved the economic viability of his farm. He sold the crop and was able to obtain cash when he needed it most. If that grain is subject to control by the Canadian Wheat Board, it will no longer remain a cash crop in the sense that we understand that term and one of our largest cash crops will be removed from the western grain economy.

I also think it is improper to proceed with the legislation at this time because it will further weaken the existing futures market for grain. That market has grown up primarily because of the existence of rapeseed. Obviously, such a market is necessary. Last fall we encountered serious difficulty with barley because we did not have a futures market in that commodity, and the Wheat Board was unable to keep in touch with the actual value of barley. I think we lost the sale of a great many million bushels of barley last fall because our price was too high and because the government could not properly estimate what the price should have been. It could not do so because no futures market had been established.

Again, because the Wheat Board had jurisdiction over that commodity and did not know what its price ought to be, the price per bushel was cut by 20 cents in one

fell swoop. It has been revealed that this was too large a reduction. The result was lost income that will never be recovered by the producers of barley.

In its four-pronged attack on western Canadian agriculture, one prong being the stabilization bill, C-244, we find that the government is withdrawing financial support for western agriculture and, as in this bill, substituting straight control of the industry. I suggest, Mr. Speaker that this is not the right way to approach the problems of western agriculture. Since the minister has said that this legislation is not urgent and he does not know when, if ever, rapeseed will be brought under the jurisdiction of the Wheat Board even if the bill is passed, I think the producers of rapeseed ought to be consulted.

The hon. member for Mackenzie and the hon. member for Vegreville also support this view. I agree that not all permit holders under the Canadian Wheat Board should take part in that consultation. Only those who, as the hon. member for Mackenzie suggested, have taken an interest in the crop by growing it should be consulted. I feel that everybody who has taken the trouble to grow this crop ought to be consulted. A plebiscite should be held in that way.

Since the legislation is not urgent at this time, I move, seconded by the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack):

That all the words after "That" be deleted and the following substituted therefor:

Bill C-238 be not now read a second time but that the subject matter of the bill be referred to the Canadian Wheat Board to determine by way of producer plebiscite whether the provisions of the Canadian Wheat Board Act that may by regulation apply to oats or barley should be extended to include rye, flax seed or rapeseed or any or all of them.

Mr. Deputy Speaker: Order, please. The Chair must consider the procedural acceptability of the motion moved by the hon. member for Palliser (Mr. Schumacher), seconded by the hon. member for Frontenac-Lennox and Addington (Mr. Alkenbrack). I must say to hon. members that I have some doubt as to whether the Chair can accept the amendment from a procedural standpoint. I have two preliminary doubts. The hon. member wishes to refer the matter to an outside agency. I think there is probably some jurisprudence to indicate that he cannot do that. He can refer the subject matter to a standing committee, but whether he can refer it to an agency that is outside Parliament is a matter, I think, that must be considered. I am aware that there is a precedent with respect to the transport commission. Hon. members may wish to assist the Chair on that point.

The other point that occurs to the Chair initially—and I invite the assistance of hon. members in this respect—is that the motion does not seem to oppose the principle of the bill. It refers to an outside agency, without opposing the principle of the bill. The Chair's mind is open to argument on the matter. If hon. members wish to assist the Chair, I will be pleased to hear them.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, I believe it was the thought of the mover and seconder of this motion that they were assisting the minister in his endeavour to get the bill through the House. I am sure that we want to accommodate the assistant whip of the government party rather than be accused of filibustering. We felt that this was a reasoned amendment which would help the minister to give the people of this country what he has been promising. We accept the bill. Every speaker on this side of the House has said that, with one exception.

[Mr. Schumacher.]

• (9:40 p.m.)

We do not think this amendment takes anything away from the bill. It does not in any way deter the minister from getting the bill through. The minister said that the subject of including rapeseed, flax and rye under the Wheat Board will not be used immediately—in fact, not as long as he is minister.

The minister seemed to accept the principle that a referendum should be called. We made suggestions with regard to a referendum. We suggested that only those who produced rapeseed be asked whether they are in favour of having rapeseed included in the bill. Therefore, we say it is a reasoned amendment. As the assistant whip has suggested time and again, the purpose is to get this legislation through the House as fast as possible for the benefit of the farmers. The minister is very anxious to get the grading part of the bill passed. We approve of that; every speaker has said so.

To cite a precedent I wish to refer to page 400 of Beauchesne's. This refers to a similar amendment. I will only read part of it:

"That all the words after the word 'That' in the said motion be struck out and the following substituted therefor:

'the further consideration of this bill be referred until the principle thereof has, by means of a referendum, been submitted to and approved of by the electors of Canada'."

In the case of this amendment, rather than the electors of Canada it is the people who are concerned with this particular grain. I do not want to go into the arguments why it should or should not be placed under the control of the Wheat Board. The minister said it is not immediately necessary to have this provision, and we agree.

If the referendum indicates that the rapeseed producers want this grain under the control of the Wheat Board, as the Socialists to my left would like it, we will agree to it. We know that they do not all want this because we have had communications from a large number of rapeseed producers indicating that they do not want to be included in the legislation. It is the only cash crop they have at the present time. This is what we in western Canada are concerned about, a cash crop at the present time.

I could state what we think about the efforts of the Wheat Board in selling wheat at this time. The minister said there is a record movement of grain under the Canadian Wheat Board. In spite of that, the economy of western Canada is at its lowest ebb ever. There is something wrong. This is what we are concerned about. Rapeseed is the biggest cash crop they have. It is the only thing that is keeping them going. That is why I say this is a reasoned amendment. There should be no hesitation

on the part of the minister to accept the amendment. I hope the assistant whip of the government will vote for this amendment so that we will not have to talk any more.

Some hon. Members: Hear, hear!

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it is quite clear from the amendment, and even more so from the words we have just heard, that hon. members do not oppose the principle of the bill. Indeed, their remarks have been related to one small section of it, something which could be dealt with in committee. The amendment falls on that ground alone. It also falls on the second ground to which I have referred that the matter can be adequately dealt with in committee.

On a number of occasions I have indicated the need to consult with producers. I hinted in my opening remarks and stated on a number of occasions that a plebiscite might be the appropriate technique. An amendment in that regard could certainly be made in committee. If we can work out the right terms for a plebiscite at this stage, I will welcome them. In other words, we would be anticipating here what could be done in committee. Certainly the amendment is not opposed to the principle of the bill.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I did not rise earlier because I thought the minister would spring to his feet and indicate with alacrity his desire to accept the amendment offered, in view of his alleged fondness for participatory democracy. However, that probably does not apply to the farmers of the west.

There are a number of reasons for approving this amendment. The first is that it was moved by the hon. member for Palliser (Mr. Schumacher). I am sure the hon. member would not move an amendment that was not in order. Second, it comes from this party. As Your Honour knows, we attempt to comply with the rules. Sometimes there are differences of opinion between the Chair and this party with regard to our amendments, but the fact that we move an amendment indicates that it should be considered to be in order.

The terms of the amendment indicate that members of Her Majesty's Loyal Opposition have dash and verve. We attempt to not be bound by the ironclad traditions of the past. We are prepared to move into new fields while at the same time clinging to the sound principles of previous decisions of this House. The hon. member has been successful in combining in one motion two principles which have been accepted in the past. That should be a tribute to this ingenuity and his amendment should be accepted by the Chair.

The hon. member for Swift Current-Maple Creek (Mr. McIntosh) quoted Beauchesne. He indicated that in the past the House accepted an amendment moved by the very great and distinguished Canadian, Sir Wilfrid Laurier, who was a liberal when it meant something to be a Liberal.

Mr. Francis: It always does.

Mr. Boulanger: It always does; don't forget that.

Mr. Baldwin: The hon. member quoted Beauchesne as follows:

—'the further consideration of this bill be referred until the principle thereof has, by means of a referendum, been submitted to and approved of by the electors of Canada'.

That was accepted as a valid amendment. In other words, that "further consideration of the bill be left until the principle has, by means of a referendum, been submitted to and approved of by the electors of Canada." That is acceptable as a reasoned amendment. The wording here is not quite the same but there is the clear intent that there not be further consideration of Bill C-238 and that it not now be read the second time. That is an indication of disapproval of the principle of the bill.

To indicate how unprepared I am, I only have a copy of Beauchesne's third edition with me. I wish to quote from page 499. This amendment was offered on April 17, 1934:

Amendment that bill be not now read a second time but that the subject-matter thereof be referred to a Board of Commissioners is in order.

The amendment was moved by Mr. Barber, seconded by Mr. Plunkett. Mr. Mackenzie raised a question as to whether the amendment was in order. Argument proceeded at that time. Mr. Gray quoted rule 755. Mr. Speaker stated:

• (9:50 p.m.)

I am of the opinion that the amendment referring the subject matter of the bill to the Board of Commissioners is in order.

The ruling was challenged but the House sustained Mr. Speaker. This was in the bad days when Speakers' rulings could be appealed. We have progressed beyond that now. What my learned friend from Palliser has done is to put the two principles into one motion—that the bill not be read the second time until a referendum has been conducted among those directly affected. I believe his ingenuity should be rewarded by Your Honour ruling that the proposed amendment is in order.

Mr. Deputy Speaker: If no other hon. members wish to address the Chair I think I can give a ruling on the amendment proposed by the hon. member for Palliser (Mr. Schumacher). I wish to thank hon. members who have assisted the Chair by arguing the procedural points at issue, I indicated initially that there was some doubt in my mind whether it would be in order to refer the subject matter, as the amendment purports to do, to an outside agency. Hon. members know, of course, that the subject matter of a bill may be referred to a committee of this House, but there is some doubt whether it is an order for an amendment purporting to be a reasoned amendment to seek to refer the subject matter to an agency outside the confines or jurisdicion of Parliament.

The hon. members for Peace River (Mr. Baldwin) argued very persuasively and fluently in favour of the

proposed amendment being accepted, using the precedent of the reference to the Board of Transport Commissioners. I appreciate the argument he advanced; I think it is a good and valid one. However, in reaching a decision I believe a distinction must be made, because in the particular case cited the amendment was a declaratory one adverse to the principles of the bill. Reading the amendment moved by the hon. member for Palliser, I find some difficulty in bringing myself to believe that the amendment is declaratory in opposition to the principle of the bill. It might be helpful if at this juncture I were to read the proposed amendment. It is as follows:

That all the words after "That" be deleted and the following substituted therefor:

Bill C-238 be not now read the second time but that the subject matter of the bill be referred to the Canadian Wheat Board to determine by way of producer plebiscite whether the provisions of the Canada Wheat Board Act which may by regulation apply to oats or barley should be extended to include rye, flaxseed or rapeseed or any or all of them.

The Chair has this reservation in mind and it is an important one. The factor which seems to me to be the determining factor, and the one upon which the Chair would like to base its ruling, is the well established principle that a reasoned amendment is not in order if it purports to do something which could be done by the committee considering the bill after it had passed second reading.

Clause 5 of the bill deals with the authority of the Governor in Council to bring flax, rapeseed and rye under the authority of the Canadian Wheat Board. Since authority to legislate is vested in members of this chamber and not in the Canadian Wheat Board or other agencies, it seems to me the hon. member could, if he wished, ask his fellow members on the committee, by moving an amendment, to make the decisions called for in his amendment: this could be done by moving an amendment to delete or amend clause 5 of Bill C-238 which is before us.

For these two reasons, and particularly for the second reason that the bill could be amended in committee along the lines suggested, the Chair regretfully cannot accept the proposed amendment from the procedural standpoint.

Mr. Robert Simpson (Churchill): Mr. Speaker, there are a few observations I should like to make with reference to Bill C-238. First, I should like to make it clear that I agree heartily with what has been said by some of my hon. friends, particularly by the hon. member for Palliser (Mr. Schumacher), the hon. member for Vegreville (Mr. Mazankowski) and the hon. member for Mackenzie (Mr. Korchinski) who have drawn attention to the satisfaction felt by rapeseed growers over the past few years in being able to produce a cash crop. I can say from experience that the growers I represent feel the same way.

We heard the minister say a few moments ago that during the committee stage an amendment could be moved which, if approved, would allow a plebiscite to be taken. But we cannot always take messages of this sort at their face value. Not long ago we heard a report that wheat exports from Canada would be in the neighbourhood of 500 million bushels during the 1970-71 crop year, compared with 347 million bushels last year.

An hon. Member: With 374 million bushels.

Mr. Simpson: Since then we have heard the minister say that wheat exports may amount to 400 million bushels. So it is a little difficult to accept statements coming from the minister. I am interested in one or two aspects of this bill particularly as they pertain to exports from the port of Churchill. I should like to draw attention to the fact that up to the present the Wheat Board has not seen fit to indicate what quantity of wheat is to be exported from Churchill in the year ahead. Each year we experience difficulty in getting the board to make an announcement. I asked the Wheat Board to make an announcement that some 30 million bushels would be shipped out of the port for sale abroad; however, the Board has not seen fit to do this.

The bill before us seeks authority to enable the Wheat Board to assume responsibility for the marketing of rye, flaxseed and rapeseed.

Mr. Deputy Speaker: Order. In accordance with Standing Order 40, a motion to ajourn the House is deemed to have been moved and seconded at this time.

* * *

BUSINESS OF THE HOUSE

ORDER AS TO DISPOSITION OF BILL C-207

Mr. MacEachen: Mr. Speaker, I should like to have the consent of the House to revert to motions to put forward an order which I have discussed with my colleagues on all sides of the House.

Mr. Deputy Speaker: The minister has asked for consent to revert to motions. Is that agreed?

Some hon. Members: Agreed.

Mr. MacEachen: We have held discussions with respect to the further progress of Bill C-207 and we have reached certain conclusions. After I have read the order they will be revealed as being the result of painstaking discussions over a period of time.

Mr. Knowles (Winnipeg North Centre): Results painfully reached.

Mr. MacEachen: They involved change in positions by all persons concerned in the discussions. However, I hope the order will be acceptable to members of the House generally. It reads as follows:

• (10:00 p.m.)

That the order for resuming consideration of Bill C-207, an act respecting the organization of the government of Canada and matters related or incidental thereto, shall be the first order of government business called on Tuesday, May 25, 1971, and on Wednesday, May 26, 1971, and that the consideration of private members' business on Tuesday, May 25, 1971, shall be sus-

pended so that consideration of Bill C-207 may be continued between 5 o'clock p.m. and 6 o'clock p.m. that day, and that not later than 5 o'clock p.m. on Wednesday, May 26, 1971, every question necessary to dispose of the bill in Committee of the Whole shall be forthwith and successively put without further debate or amendment, and that the House shall immediately thereafter proceed to its consideration of all remaining stages of the bill, and that the House shall not adjourn that day at 6 o'clock p.m. and that, not later than 7 o'clock p.m. in the sitting, every question necessary to dispose of all remaining stages of the bill shall be forthwith and successively put without further debate or amendment;

That, in Committee of the Whole on the said bill, a minister shall propose amendments to provide

(a) that the Minister of the Environment is also the Minister of Fisheries;

(b) that clause 17 be deleted; and

(c) that the establishment of a Ministry of State shall be subject to the adoption of a resolution of the House, which shall be decided upon after not more than a specific period of debate;

And that, in relation to the proposed establishment of Ministries of State for Urban Affairs and Housing and for Science and Technology, no more than one spokesman from each party shall participate in the deabte on each of the said proposed resolutions notwithstanding general provisions relating to the approval of such ministries in Bill C-207.

An hon. Member: What a retreat!

Mr. MacEachen: I may say I have never enjoyed any retreat so much.

Mr. Baldwin: Mr. Speaker, this was not a retreat but a great victory for Parliament. I am glad to say that we are agreeable to the general principles. As far as paragraph (c) is concerned, I will not ask the minister to indicate the terms of the various amendments that will be moved, but there has been an understanding between all the parties involved as to what the purport of the amendment in question will be. We are all agreed on what the amendment will be. Apart from that, may I say we are very pleased to resolve this problem. I think it shows that Prime Ministers may come and Prime Ministers may go, but Parliament goes on.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, rather than use such words as "retreat" or "victory", may I say this is another demonstration of the value of collective bargaining. We have had some lengthy sessions at the bargaining table and there has been give and take on all sides. The document that the minister has just read represents the position at which we arrived, and we agree with it.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, as the President of the Privy Council (Mr. MacEachen) has just announced, we held discussions in order to come to an agreement to resume consideration of Bill C-207. Our party therefore supports the motion to resume consideration of this bill, so that it can be put through the House as soon as possible.

[*English*]

Mr. Deputy Speaker: Hon. members have heard the President of the Privy Council (Mr. MacEachen) and I think there would be unanimous agreement that the House would not want the Chair to repeat the terms of the suggestion proposed by the minister and agreed to by the House leaders. Subject to the small reservation of the hon. member for Peace River (Mr. Baldwin), is it agreed that a special order shall be made in the terms of the order read by the President of the Privy Council?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

PROCEEDINGS ON ADJOURNMENT MOTION

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

INDIAN AFFAIRS—NORTHWEST TERRITORIES—ALLEGED BIGOTRY OF SUPERVISORS IN NOT ENSURING JOBS FOR NATIVE PEOPLE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, on February 9 I directed two questions to the Minister of Indian Affairs and Northern Development (Mr. Chrétien). First of all, I asked whether he would look into the charge made at a meeting of the Northwest Territories Council that the minister's department was hiring supervisors who were bigots and ill-disposed to the Eskimo people of the Northwest Territories. I must say that the charge was actually levelled against supervisors working for the Department of Transport.

Then I asked a supplementary question of the minister, whether he would investigate the claim that a very high percentage of those employed on drilling crews, for which not much skill is required, are being recruited in southern Canada instead of from the native people in the territory. The minister replied simply that a trade school was established at Edmonton several years ago and that as more people are trained they would be hired.

My questions arose from a report which appeared in the *Globe and Mail* of February 9 which referred to a speech made by Weldy Phipps, a member of the Northwest Territories Council, in which Mr. Phipps asked the council to support a brief which he proposed to submit to the federal Advisory Committee on Northern Development "detailing the lack of employment of local labor". The report says that the motion was passed unanimously. What Mr. Phipps said is a pretty damning piece of information. The article reads:

The department often hired supervisors who were "thinly disguised bigots who scorn the Eskimo," said Mr. Phipps, elected member of the council for the High Arctic.

The article points out that Mr. Phipps told the council that the federal government, and to some extent the territorial government, contribute to high unemployment in the High Arctic. Mr. Phipps stated:

Its deficiencies in hiring Eskimos, Indians and Metis are not ones of a few unrelated incidents, but almost seem to be the government's practice.

Mr. Phipps said, further, that blame for unemployment and hiring practices should not be directed chiefly at the Department of Indian Affairs and Northern Development but at other departments. He said other federal departments obviously had not thought about their responsibility to hire local labour. He told the council that unemployment ran as high as 90 per cent in some areas of the High Arctic. He went on to give illustrations. He said he has seen survey crews come through Resolute with every man on the team from southern Canada.

He claimed that the only person who needed special training was the kind of person the minister referred to in his reply to me; this was the instrument man. The others were hired to carry surveyor's rods and pound stakes. Mr. Phipps points out that these people draw big salaries for three or four months and then return to the south. He states that if the money were paid to the Eskimos they would probably earn enough that they would not require support through the provision of welfare. He claims that the territorial government continues to import people from southern Canada for administrative and technical jobs in the settlements when these jobs could be handled by the local population.

Mr. Phipps said that the base at Resolute has a staff of about 60 people, and that of these 60 jobs only four or five are held by Eskimos. These include such positions as janitor, kitchen worker, bartender, clerk, heavy equipment operator and carpenter. Surely these positions are under the jurisdiction of the Department of Transport. One could blame that department, but I hope and expect that the Department of Indian Affairs and Northern Development would take its responsibility for trying to improve conditions for Eskimo and Indian peoples and keep the pressure on employers, whether they be other government departments or private employers, to fill as many of these positions as possible now, and as quickly as possible in the future, with native people.

• (10:10 p.m.)

I believe Mr. Phipps, a person who lives in the north, who represents a northern area on the Northwest Territories Council, when he berates all government departments for failure to do what I have suggested should be done. I urge the government and the department to redouble and quadruple its efforts to ensure that the native people are given every opportunity to fill the jobs they can handle, so that their lives can be brought up to something like the standard which we are fortunate enough to enjoy in southern Canada.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, as has been suggested, my minister was asked to investigate a charge contained in a resolution passed by the Northwest Territories Council to the effect that the department is hiring as supervisors bigots who are doing little to ensure that native people are hired for anything but unskilled positions.

The facts have been investigated and it has been found that no such resolution was passed by the Northwest Territories Council. A motion was introduced in the council that a brief be prepared and submitted to the Advisory Committee on Northern Development detailing a lack of employment of local labour by federal departments and agencies and recommending steps by which the situation could be improved. An additional motion was to the effect that the possibility of establishing a program to appoint officers to act as liaison between local labour and private business be studied.

I wish to state that it is already the policy of our department to employ northern residents in all northern positions for which they can qualify. In the wider context, an interdepartmental committee is now studying ways of speeding up this process for the employment of northern people in all the other government departments.

Also, the department already has an employment liaison program in operation and is currently recruiting additional staff who will be stationed in the north to act as liaison between local labour and employers with main responsibility for employment of northern residents. This staff will be responsible for ensuring that resource development firms and other companies contemplating activities in the north are aware of the available labour force, their skills and the training programs that exist.

A committee composed of representatives of the federal and territorial governments and the petroleum and related industries has been established to bring about an increase in the training and employment of local workers in the northern operations of the oil and gas industry.

In addition, last August, in a joint statement by the minister and the Minister of Energy, Mines and Resources (Mr. Greene) guidelines were set out for the construction and operation of northern oil and gas pipelines. It was noted that many benefits would accrue to northern residents because one condition of approval for a pipeline project is that industry would be required to ensure appropriate training and employment programs for Indian, Eskimo and Métis people in the north. Agreements have been made with some of the major mining companies operating in the north. These agreements guarantee the same rights and privileges to northerners as are enjoyed by the companies' employees elsewhere.

I might mention that last week when I was up in Old Crow we were told, when we were querying the residents on how the muskrat catch was going this year, that virtually none of the Indians in Old Crow were out catching muskrats but in fact all of those who so desired were working on the various seismic crews for the oil companies operating in the Old Crow area.

I can assure the hon. member that we are continuing to seek and to expand employment for northern residents through a continuing review of our existing programs.

AGRICULTURE—FARM MACHINERY—IMPLEMENTATION OF COMMISSION RECOMMENDATION RESPECTING MANUFACTURE IN CANADA—CLARIFICATION OF STATEMENTS ON COMPANY PROFITS

Mr. Don Mazankowski (Vegreville): Mr. Speaker, today I asked the Minister of Agriculture (Mr. Olson) whether

any steps were being taken to clarify the conflicting statements emanating from the Barber commission investigating prices of farm machinery respecting profits achieved by the manufacturing companies. In its interim report it says that the farm machinery companies were making "handsome profits". In the final report it has watered this statement down to read "moderate profits". It seems to me incredible that the commission would entirely reverse its stand on such an important issue as profits in the farm machinery industry. The assumption, rightly or wrongly, has bothered the consumers who in this case are mainly farmers. So far as I am concerned, the credibility of the commission has been entirely destroyed.

During the controversy which developed after the commission released its interim report, Massey-Ferguson and other manufacturers operating in Canada were accused of making handsome profits and words such as "conspiracy" and "confiscation" were freely used. Massey-Ferguson elected to challenge this statement and in press releases and in direct submissions to the royal commission the company denied it was making the handsome profits alleged by the commission chairman.

The company challenged the commission to take another responsible look at the figures which it had shown to the commission when it first appeared before it. Clearly, from that point onward the battle-lines were drawn and it was a royal commission against one of the giant conglomerates. It now appears from the final report that the victor has been Massey-Ferguson. If this is not the case, then I suggest that the government owes an immediate and direct apology and retraction to Massey-Ferguson and to all other producers of farm machinery in Canada—certainly, if not from the government at least from the chairman of the commission.

The royal commission, and by inference the government, are not strengthening the investor's or the public's faith in the Canadian economy by making suggestions of this nature. The Credibility of the commission has been badly damaged. The situation must receive clarification if the government expects the people of this country to have any faith in the policy proposals which will flow from the contents of this report.

If this matter is not cleared up, the people of Canada have produced and paid for a stale, outdated $1.5 million whitewash job which they can sorely afford at this time. I am using the figure $1.5 million because that was the cost of the commission inquiry as of last December. It is probably reasonable to assume that the cost has been increased since the writing of the final report, so probably we are dealing with a figure in the order of $2 million.

If the government is going to appoint a body to prepare a report for the country, particularly the farmers, to digest and consider it has a responsibility both to the commission and, in this particular case, to the farm machinery interests to clarify the statements that have been made. If the first assertion was hastily conceived, the report should say so. If the strength of the Massey-Ferguson case has caused a rearrangement of the figures, then the whole report is worthless.

The government is charged with the grave and weighty responsibility of running the affairs of the country. If it fails to set the record straight and establish some facts, it is derelict, perhaps even negligent in its duty to the country's corporate and private citizens. During these times of economic and social strife it would behoove the government to set a pattern which the country can effectively follow. The whole country has been cast adrift by statements and misinformation of this nature. The government has left it to wallow in a sea of mud mixed by confused chefs across the way. Hopefully, when the maître d' returns the people of Canada will be able to get answers to some of these problems.

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Mr. Speaker, the hon. member for Vegreville (Mr. Mazankowski) asked a two-part question today, the first part directed to the Minister of Industry, Trade and Commerce (Mr. Pepin) and the second part to the Minister of Agriculture (Mr. Olson). I came prepared to discuss it this evening on the basis of the part directed to the Minister of Industry, Trade and Commerce.

I was rather surprised at the strong words used in the member's statement this evening, condemning the government on its stand on a report when the report has only just come out: it just arrived on my desk yesterday. It is a very thick volume and I must confess that I have not yet had time to read it from cover to cover. I am a little surprised that the hon. member has had time to read and digest it thoroughly. There is a brief summary of the report—

• (10:20 p.m.)

Mr. Mazankowski: On a point of order, Mr. Speaker—

Mr. Deputy Speaker: Order, please. There is no provision for a point of order at this time.

Mr. Howard (Okanagan Boundary): Before the hon. member seeks the headlines, I think he would want to study the matter thoroughly.

Mr. Mazankowski: Read the press release.

Mr. Howard (Okanagan Boundary): Mr. Speaker, I suggest that a brief summary is not the same as the whole report.

Mr. Mazankowski: It is pretty concise.

Mr. Howard (Okanagan Boundary): I have read some parts of the chapter on pricing and I find it most interesting that the report does not say that the farm machinery companies make excessive profits, but it does say that perhaps the market strategy used in placing the machinery on sales floors for periods of a year and a half to two years was an expensive one. It points out very clearly,

however, that their net profit at the end of the year does not appear to be excessive. I think these factors have to be examined.

The preliminary report indicated some opinions on the subject and the final report indicates some further opinions. I think it would be reasonable to examine all these opinions very carefully before seeking to blacken the reputation of the farm machinery industry.

Mr. Mazankowski: That is exactly what the commission tried to do.

Mr. Howard (Okanagan Boundary): The commission was selected as an independent body to make a report to the government, Mr. Speaker. It is not a report made by government; it is a report for government. There is a vast difference. No one in the government has made these statements. This is an independent body and I think we have to respect the opinions of these people.

Mr. Deputy Speaker: Order, please. The parliamentary secretary's time has expired.

ROYAL CANADIAN MOUNTED POLICE—USE OF RADIO BANDS FOR TRANSMISSION OF LISTENING DEVICE SIGNALS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in the last couple of days I have raised questions, first with the Minister of Transport (Mr. Jamieson) and later with the Minister of Communications concerning the alleged use of electronic eavesdropping devices for the purpose of obtaining information about certain groups and individuals in our society.

Concern for individual privacy and the implications of electronic spying are neither new nor are they limited to Canada. In the United States it was reported that a sixth circuit court judge ruled the FBI must first obtain a warrant to tap phones of domestic groups suspected of subversion. The FBI, of course, was somewhat less than enchanted with this ruling. Much controversy, too, has surrounded the U.S. army's snooping on civilians and a U.S. Court of Appeal has ordered a full-dress hearing by a federal court into the constitutionality of the army's spying on civilians.

In our own country, too, there is widespread concern. In tonight's Ottawa *Citizen* under the headline "Bugging ban bill due before summer" there is the report that the great defender of civil liberties, our own Minister of Justice (Mr. Turner) emotes equal concern and plans to make electronic invasion of privacy a criminal offence.

So much for the background. What prompted my question was the allegation of the movement for the defence of political prisoners that their meeting May 15 in Montreal had been subjected to furtive electronic scrutiny. This is the very thing that the Minister of Justice's proposed bill is supposed to guard against. If this surveillance were conducted by the RCMP, the Montreal police or any other body there is nothing in present law which forbids it except—and this is a big exception—that under section 3 of the Radio Act any radio transmission requires a licence to operate on a designated frequency except under certain exceptions granted under part 2 of the same section. Under section 11 of the Radio Act it is illegal for any person to establish or instal a radio station contrary to the act, and if one does he is liable to a fine of $25 or a 12-month prison term.

Mr. Speaker, this raises some interesting questions. The Department of Communications issue licences to operate radio transmitters on prescribed frequencies. Therefore I asked in the House, have certain frequencies been assigned to the police and, if so, what are they? If the answer is that police have not been assigned frequencies, and if they have been using them as is alleged in the Montreal case, then the police are acting illegally. That raises some interesting questions about the admissability of any evidence gained thereby—or do the police, like the FBI, feel they can do as they please?

A second point is that the frequency used by the bugging device was very close to that assigned—I have learned this from the Department of Communications—to aeronautical radio navigation signals. Yet no one in the Ottawa communications headquarters would answer whether or not the police had applied to use this band. The whole thing is extremely woolly, Mr. Speaker. As you can see, there was a noticeable lack of candour in respect of my efforts to gain information.

I am moved, in conclusion, to ask some questions. First, do commercial bands for taxis, businesses, the police, etc., include implicit permission to employ electronic eavesdropping devices? Second, what effort is the Department of Communications making to effectively administer assigned frequencies so that invasions of privacy are not encouraged.

We are told that there are 5,000 radio transmitters in Ottawa and 25,000 in both Montreal and Toronto. So this is a serious matter. It seems to me, from my brief immersion into the Radio Act, that if the act and its regulations were enforced to the fullest extent there would be little need for the Minister of Justice—Mr. Clean himself—to move for more legislation in this very personal area.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member will be aware that the allocation of radio frequencies is no longer the responsibility of the Department of Transport. It was transferred some time ago to the Department of Communications. I have been provided with the following information which may shed some light on the subject.

One of the important responsibilities of the Minister of Communications is the management of a public resource, the radio frequency spectrum. To do this the minister has the authority to assign frequencies in the spectrum and to issue licences or technical certificates to persons or organizations wishing to use radio. The purpose of the minister's management function in the use of the spectrum is to ensure the most effective development and use of this resource. To do this the government of Canada not only enters into agreements with foreign countries on the allocation of frequencies, but maintains monitoring services throughout the country whose main task is to make certain that there is not unauthorized interference with the licensed users either inadvertently or by design.

There are some 260,000 authorized stations operating in Canada. A number of these operate on the general broadcast bands used by radio and television, out the vast majority are used for private communications systems serving more than 300 industries, and operate on frequencies not used by broadcasting. To assure that equipment operates on assigned frequencies and that the spectrum is not polluted by stray signals, either from radio equipment or a wide variety of electrical equipment, the department maintains over 250 radio inspectors across the country.

Consequently, the role of the department in this area is largely a technical one. The policing services that the department maintains are analogous to those of a traffic control department in a police force. The department is not primarily concerned with the content of information transmitted through the electromagnetic spectrum. It is concerned that signals are transmitted on assigned frequencies.

In relation to the particular case of electronic surveillance, or what is more commonly called electronic eavesdropping, it is a fact that the department has not assigned any specific frequency for this sort of use of the spectrum. Furthermore, the department has not issued any licences or certificates for equipment designed specifically for this purpose.

Motion agreed to and the House adjourned at 10.30 p.m.

APPENDIX

USSR-CANADA
PROTOCOL ON CONSULTATIONS

Inspired by a desire to develop and strengthen relations of friendship, good neighbourliness and mutual confidence between the two countries.

Expressing a desire for co-operation in the interests of maintaining international peace and security in accordance with the purposes and principles of the charter of the United Nations, and

Conscious of the responsibilities of the Soviet Union and Canada as members of the United Nations to promote the preservation of peace,

Believing that the Soviet Union and Canada can contribute toward the above goals by acting in a spirit of co-operation, mutual respect and reciprocal benefit,

Endeavouring to improve and further develop relations between the two countries by means of high-level contacts, expanding ties and exchanges in the fields of economy, trade, science, technology, culture and northern development,

Noting with satisfaction the conclusion of the Soviet-Canadian agreement on Co-operation in the Industrial Application of Science and Technology, and the development of trade on the basis of the 1956 Trade Agreement,

Conscious of the responsibility of the two sides to preserve and protect the environment of the Arctic and the sub-Arctic areas,

Fully determined to go on developing political and economic co-operation,

The Chairman of the U.S.S.R. Council of Ministers and the Prime Minister of Canada have agreed on the following:

1. The Soviet Union and Canada shall enlarge and deepen consultations on important international problems of mutual interest and on questions of bilateral relations by means of periodic meetings. Such consultations will embrace:

—questions of a political, economic and cultural nature, environmental questions and other subjects concerning relations between the two countries;

—international questions, including situations causing tension in various parts of the world, with a view to promoting détente, furthering co-operation and strengthening security;

—problems which are the subjects of multilateral talks, including those considered at the United Nations;

—any other subjects in respect of which the parties may find it useful to have an exchange of views.

2. In the event of the a situation arising which, in the opinion of the two governments, endangers the maintenance of peace or involves a breach of the peace, the two governments will make contact without delay in order to exchange views on what might be done to improve the situation.

3. The provisions set forth in paragraphs 1 and 2 above do not affect obligations previously assumed by the parties in respect of third states and are not directed against any of them.

4. The conduct of such consultations between the Soviet Union and Canada is designed not only to promote the welfare of their peoples and develop relations between them but also to contribute towards better relations among all countries.

5. These consultations, at levels to be determined by mutual agreement, will have a regular character. The Ministers of Foreign Affairs or their representatives will meet whenever the need arises and, in principle, at least once a year. Either party is free to recommend the holding of such consultations, including the time and level at which they should be held.

Moscow, May 19, 1971

Chairman of the Council of Ministers of the U.S.S.R.

Prime Minister of Canada.

HOUSE OF COMMONS

Friday, May 21, 1971

The House met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF HONOURABLE TUN TAN SIEW SIN

Mr. Speaker: Order. May I draw the attention of hon. members to the presence in the Speaker's gallery of a distinguished visitor from Malaysia, the Honourable Tun Tan Siew Sin. Tun Tan is Minister of Finance in the government of Malaysia, but he is visiting Ottawa today not solely in that important capacity. Tun Tan is also Chairman of the Commonwealth Parliamentary Association, and in that capacity he is the honoured guest today of the Canadian Parliament.

Tun Tan is proceeding tomorrow to Halifax and Charlottetown where he will be the guest of the legislatures of Nova Scotia and Prince Edward Island, and preside at the meeting of the General Council of the Commonwealth Parliamentary Association. I know that hon. members will want me to welcome him on their behalf and express the hope that his stay in Canada will be interesting and rewarding.

Some hon. Members: Hear, hear!

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PRIVILEGE

MR. HELLYER—DESIGNATION AS INDEPENDENT LIBERAL

Hon. Paul Hellyer (Trinity): Mr. Speaker, I rise on a question of personal privilege affecting my standing in the House of Commons. It is with profound regret that I find myself increasingly out of sympathy with the government's philosophy, its policies and its performance.

Some hon. Members: Hear, hear!

Mr. Hellyer: In consequence, Mr. Speaker, I would respectfully request Your Honour to change my designation in this House of Commons to that of Independent Liberal.

Mr. Speaker: The hon. member for St. Paul's.

An hon. Member: Oh, another one.

An hon. Member: You too.

Mr. Wahn: I hope I heard you correctly, Mr. Speaker, and that we have proceeded to reports of standing committees.

Mr. Bell: We would have taken you.

Mr. Baldwin: A pretty mixed bag is left over there.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Second report of Standing Committee on External Affairs and National Defence—Mr. Wahn.

[*Translation*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

Sixteenth report of Standing Committee on Finance, Trade and Economic Affairs, in the two official languages—Mr. Noël.

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

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[*English*]

TRANSPORT

TABLING OF REPORT ON COASTING TRADE

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, pursuant to Standing Order 41(2) I wish to table in English and French the report of an inquiry into the coasting trade of Canada and related matters of marine activity by H. J. Darling.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

DISCUSSION OF GENERAL TRADE AND COMMERCIAL RELATIONS AND GRAIN SALES BY PRIME MINISTER WITH SOVIET GOVERNMENT

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to ask the Acting Prime Minister if he can advise the House whether any discussions took place between the Prime Minister and the Kremlin leaders with regard to trading and commercial relations. In particular, did the Prime Minister obtain any commitment with regard to firm grain sales arrangements which would prevent the state trading agency of the U.S.S.R. from being in apparent default as is the case now?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, I have not had any report directly in detail on the subjects covered by the Prime Minister. I do know that in general he dealt with commercial relations between Canada and the Soviet Union; indeed, this was one of the main subjects of discussion. I think we will have to wait until there is a further report to learn how far he raised this particular point, or indeed even until the Prime Minister returns.

Inquiries of the Ministry

REPRESENTATIONS BY PRIME MINISTER TO SOVIET GOVERNMENT CONCERNING CZECHOSLOVAKIA AND POSITION OF JEWS IN RUSSIA

Mr. G. W. Baldwin (Peace River): Perhaps the Acting Prime Minister may know the answer to this question or he may have to acquire the information. As the discussions were no doubt frank and fruitful, can the Acting Prime Minister report whether the Prime Minister advised the Kremlin leaders of the objection of the Canadian people to Soviet action in Czechoslovakia? Did the Prime Minister also discuss with the U.S.S.R. the position of the Jewish people in Russia and did this discussion take place before the recent severe sentences imposed on Jewish people who attempted to leave Russia?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I know the Prime Minister had all these matters on his agenda to take up with the Soviet government and I am sure he did. I think, Mr. Speaker, that the arrangements that have been made for regular consultation will enable us to forward our interests more effectively than at any time in the past.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, with respect to one aspect of the question just asked by the hon. member for Peace River, may I ask a supplementary question. In view of the assurance the Secretary of State for External Affairs gave on Monday that the Prime Minister would speak to the Soviet authorities about the trials of Jewish citizens in that country and in view of what has happened since, will the Acting Prime Minister ask the Prime Minister to express the concern of the Canadian people over the decisions handed down yesterday?

Mr. Sharp: Yes, Mr. Speaker, and I will ensure also that the remarks made here in the House of Commons are conveyed directly to the Prime Minister so that the Prime Minister may be aware of the views of hon. members on this subject.

DELIVERY OF GRAIN TO RUSSIA UNDER AGREEMENT—REPRESENTATIONS BY PRIME MINISTER TO SOVIET GOVERNMENT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I ask the Acting Prime Minister whether the Prime Minister, while in Russia, might not take up the question of the wheat agreement that was signed since the Russian authorities are now several years behind in picking up the grain that they committed themselves to buy?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I thought that was implied in the question of the hon. member for Peace River. These are subjects that the Prime Minister has on his agenda.

REPRESENTATIONS BY PRIME MINISTER TO SOVIET GOVERNMENT ON HUMAN RIGHTS OF RUSSIAN CITIZENS

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I ask the Acting Prime Minister whether the Prime Minister, while he is in Russia, will, as requested by the Ukranian Canadian Committee, take up the matter of human rights on behalf of individual citizens within the Soviet Union, in particular those of Mr. Moroz and Mr. Karavanskyi, who are now in prison for political and cultural reasons?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, even though the Prime Minister had many hours of discussion with Soviet leaders on a wide variety of subjects, I do not know whether he would be able to press every point that is of interest to the Canadian people. That is why I think, Mr. Speaker, that a very wise decision has been taken by the leaders of our two countries in providing for regular consultations on these kinds of matters.

PURPOSE OF AGREEMENT WITH SOVIET UNION ON CONSULTATION

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is also for the Acting Prime Minister. Since the Prime Minister has often expressed the point of view that it is very uncomfortable living next to the American elephant, I wonder if the cultural agreement signed in the last few days and especially the press conference that the Prime Minister is alleged to have held in Moscow last night are a substitute for the American elephant? Will familiarity with the Russian bear be that much more comfortable for us, or is this a positive attempt to extend and supplement Canadian foreign policy and not just a negative step because of our reaction to the American elephant?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I can assure the hon. member that the Prime Minister, in putting forward this proposal for the establishment of regular consultation, is trying to reinforce good relations with both of our great neighbours and, as he himself said, to reinforce an independent foreign policy for Canada.

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PENITENTIARIES

REFUSAL OF PERMISSION TO MEMBERS TO VISIT COLLINS BAY

Mr. Frank Howard (Skeena): Mr. Speaker, I would have directed my question to the Solicitor General if he had been here today as scheduled, but perhaps I might ask the Acting Prime Minister. My question relates to the statement yesterday by the Solicitor General before the Standing Committee on Justice and Legal Affairs that henceforth communications between inmates in federal institutions and the Commissioner of Penitentiaries and between inmates and Members of Parliament would be confidential and no longer be looked at by censors or any of the officials in the institutions, and that the reverse would be true as well. In view of that statement by the Solicitor General to the committee yesterday, would the Acting Prime Minister look into the situation which saw this morning the Commissioner of Penitentiaries overrule the minister and refuse permission to Members of Parlia-

ment to visit Collins Bay Penitentiary and talk with some of the inmates there on a confidential basis?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I will undertake to discuss this situation with the Solicitor General.

Mr. Howard (Skeena): A supplementary question, Mr. Speaker. Inasmuch, also, as the Solicitor General seems intent on keeping a lid of secrecy on all of these activities—

Some hon. Members: Oh, oh!

Mr. Howard (Skeena): —would the Acting Prime Minister mind looking into the reasons for maintaining the element of secrecy and ascertain whether in fact it is not just an attempt to cover up the blundering by the Solicitor General that has taken place?

Mr. Speaker: Order, please. That, of course, I suggest to the hon. member for Skeena is more a speech than a question.

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[*Translation*]

INDUSTRY

AYERS LIMITED—MEASURES TO PREVENT LAY-OFF OF 250 EMPLOYEES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

He is no doubt aware that the Ayers Co. of Lachute is now dismissing 250 workers and I would like to ask him whether the government is taking some steps to enable the Ayers Co. to carry on its operations and avoid the dismissal of those workers?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): The answer is yes to both questions, Mr. Speaker. I am aware of the matter and my officials are now co-operating with the company to determine whether some of our programs could be useful under the circumstances.

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[*English*]

THE CANADIAN ECONOMY

INFLATION—CONSTITUTIONAL POWER OF GOVERNMENT TO INTRODUCE PRICE AND WAGE CONTROLS

Hon. Marcel Lambert (Edmonton West): My question is for the Acting Prime Minister. In light of recent statements by the Prime Minister and his cabinet colleague, the Minister of Consumer and Corporate Affairs, that the government has an option with regard to compulsory price and wage controls, is it the view of the government that it has the normal constitutional powers in this area or is the government only justified in introducing such controls in the case of a national emergency? Also, are we now going to have a declaration of national emergency in regard to inflation?

Mr. Speaker: I have some doubts as to the procedural acceptability of the first part of the hon. member's question, but perhaps someone on behalf of the government might reply to the last part of the question.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, what the hon. member has asked is really a legal question about which there are conflicting views. It is our view, and this is why we have been looking at the possible options for enforcing mandatory price and wage controls if it becomes necessary, that under the circumstances then existing we would have that authority. Otherwise, the exercise that we are undertaking would be futile.

Mr. Lambert (Edmonton West): If there is some legal doubt as to the constitutional powers of the government to institute such compulsory price and wage controls, why is this option being conveyed to the Canadian public by ministers of the Crown as a possible solution unless there is going to be some specific attempt to gain acceptance of such a program by the provinces?

Mr. Speaker: Again I hesitate to interrupt the Acting Prime Minister before he replies to the question, but I think that the supplementary is rather in the form of an argument.

* * *

POLLUTION

OTTAWA RIVER—STEPS TO CLEAN UP AREA ADJACENT TO PARLIAMENT HILL

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Fisheries and Forestry in his capacity as minister in charge of the anti-pollution efforts of the government. Has the minister noticed the massive pollution floating on top of the once pure and clean Ottawa River and clearly visible from Parliament Hill? Will the minister take the first opportunity on motions to outline to the House and the country what steps the government has taken in the past year and is now taking under the Canada Water Act passed by Parliament a year ago in order to clean up the pollution on its own doorstep and thereby set an example to the rest of the country?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I am sure all hon. members are aware of the pollution problem which we have on our doorstep, as the hon. member phrased it. Yesterday I discussed this and other problems with the responsible minister from the province of Quebec. I expect to discuss the same problem with the responsible minister from Ontario next week.

Mr. Hees: As I directed the same question a year ago to the Minister of Energy, Mines and Resources, who at

that time was responsible for anti-pollution measures, and received the same kind of answer, will the minister take it upon himself to see that some action is taken now so that we will not have massive pollution of our rivers continuing year after year without anything being done by this government?

Mr. Davis: Yes, Mr. Speaker.

Mr. Thomas M. Bell (Saint John-Lancaster): Will the minister get up early some morning and take a walk with the hon. member for Prince Edward-Hastings and view this mess personally?

Some hon. Members: Oh, oh!

Mr. Hees: I would be very pleased indeed.

Mr. Jerome: That's no way to talk about George. He is not that big a mess.

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EXTERNAL AFFAIRS

RELIEF OF REFUGEES FROM EAST PAKISTAN—CANADIAN CONTRIBUTION THROUGH UNITED NATIONS IN LIGHT OF REPORTED BRITISH OFFER

Mr. Andrew Brewin (Greenwood): My question is addressed to the Acting Prime Minister. In light of reports that the United Kingdom is contemplating making a very substantial contribution—I think a figure of one million pounds sterling was mentioned—for the relief of refugees from East Pakistan through the United Nations, is the Canadian government considering or will it consider making a contribution of similar proportion through the same channels?

Hon. Mitchell Sharp (Acting Prime Minister): We are now in receipt of information from the United Nations Commissioner for Refugees concerning the extent of the problem and we are beginning to receive general requests for assistance. This matter is under study and I hope to be in a position to make an announcement very soon.

MASSING OF TROOPS ON INDIA-PAKISTAN BORDER—CANADIAN ACTION THROUGH UNITED NATIONS TO AVERT CONFLICT

Mr. Andrew Brewin (Greenwood): In view of the fact that there has been a massing of troops on both sides of the border between India and Pakistan and bearing in mind the explosive situation which exists there, will the Canadian government invoke the good offices of the United Nations to seek a mutual withdrawal which would minimize the danger of conflict in that area?

Hon. Mitchell Sharp (Acting Prime Minister): I do not know whether that would be the most effective means of achieving a purpose, with which we all agree, but we are doing everything we can to avoid an exacerbation of the situation and to avoid a conflict which I agree with the hon. member would be a most tragic affair.

HOUSING

DECISION RESPECTING ROCHDALE COLLEGE, TORONTO

Mr. W. C. Scott (Victoria-Haliburton): My question is for the Minister without Portfolio responsible for housing and it concerns the CMHC mortgage on Rochdale College in Toronto. Would the minister tell us whether he has made a decision as to the disposition of the Rochdale situation?

Hon. Robert K. Andras (Minister without Portfolio): When that decision is made I will announce it in the House. It is not available at this moment.

Mr. Scott: Since the minister has given this answer repeatedly for the last six weeks or two months, I give notice I shall raise the matter at the time of the adjournment.

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THE CANADIAN ECONOMY

FOREIGN OWNERSHIP—AVAILABILITY OF WHITE PAPER IN CONJUNCTION WITH BUDGET

Mr. Gordon Ritchie (Dauphin): My question is for the Minister of National Revenue. In consideration of the particular necessity at this time for the government to make known its policies on all matters affecting investment in Canada, especially foreign investment, will the minister assure the House that the priority of the white paper on foreign ownership will be upgraded so that it may be available at the same time as the budget is presented next month?

Hon. Herb Gray (Minister of National Revenue): I am not in a position to give any such assurance.

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ROYAL CANADIAN MINT

INQUIRY AS TO RELOCATION IN WINNIPEG

Mr. Craig Stewart (Marquette): My question is for the Minister of Supply and Services. Are negotiations taking place to relocate the Royal Canadian Mint in Winnipeg and, if so, what is the present position of those negotiations?

Mr. Speaker: Order. It seems to me this question was asked yesterday.

* * *

TRADE

REPORTED REPRESENTATIONS BY UNITED STATES CONCERNING COMPOSITION OF BEEF EXPORTS FROM CANADA

Mr. A. P. Gleave (Saskatoon-Biggar): May I direct a question to the Minister of Industry, Trade and Commerce. In view of news reports that the United States Department of Agriculture is planning to make representations to Canada with regard to Canada's rising exports of beef to that country, and the concern of the United States that some of the beef may have come from third countries, can the minister tell the House whether

representations have been received in this connection from the United States or whether any discussions are planned on the subject in the near future?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have not heard of any but I will look into the matter.

[*Later:*]

Mr. Gleave: I have a supplementary question for the Minister of Agriculture, Mr. Speaker. Is the minister aware of the concern expressed by the United States authorities, is the Department of Agriculture taking the matter under consideration, and is it prepared to meet with its U.S. counterparts?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, but I am sure the hon. member is aware that there was a complete cessation of any trans-shipment of beef through Canada to the United States last summer. I will check to make sure it has not resumed. If it has, then we have under our arrangement with the United States an obligation to see that it is discontinued.

* * *

[*Translation*]

INDUSTRY

DEPARTMENTAL INFORMATION CAMPAIGN—MEASURES TO ASSIST CERTAIN QUEBEC INDUSTRIES

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Since the Quebec section of the Department of Industry, Trade and Commerce will initiate an information campaign in September, I should like to ask the minister whether this is only an information program, or does he intend to suggest certain supplementary grants to keep already existing industries?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am sorry, but I have not heard this question very well. Perhaps the hon. member could repeat it in other terms.

Mr. La Salle: With pleasure, Mr. Speaker.

In view of the information campaign which the Quebec section of the Department of Industry, Trade and Commerce will run in September, could the hon. minister tell us if this campaign will be only for information purposes or if the hon. minister intends to recommend additional grants for the maintenance of already existing industries?

Mr. Pepin: Mr. Speaker, the Department of Industry, Trade and Commerce does not have a Quebec section. We operate on the national level, but at the present time we are making a special effort to help certain industries in the secondary sector, and this is done with the entire co-operation of the provincial Department of Industry and Commerce. If there is further information which I may give the hon. member, I will pass it on to him behind the curtains in a moment.

[*English*]

INDUSTRY

AUTOMOBILES—DISCOURAGEMENT OF STYLE CHANGES—INCREASED SAFETY AND DURABILITY

Mr. David MacDonald (Egmont): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. In view of recent statements out of Detroit to the effect that United States car manufacturers are considering the limiting of style changes in the future, can the minister inform the House whether his department has taken a position, either publicly or privately, on discouraging exorbitant expenditures on style changes and replacing such efforts with more concern about consumer protection in terms of safety and durability?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the automobile safety act is under the jurisdiction of my colleague the Minister of Transport. Naturally my department has taken a lively interest in the cost of motor vehicles and any steps that the manufacturers can take to reduce and keep down the price of cars. If this can be done by eliminating some of the needless style changes, it would be encouraging and very helpful to the consumer.

Mr. MacDonald (Egmont): I am not sure the minister heard my question correctly. I asked him whether any representations have in fact been made or steps taken regarding what is obviously a very high cost factor. Has the minister had any direct contact with the automobile industry?

Mr. Basford: Mr. Speaker, the question was related to the application of those savings to safety devices which are under the administration of my colleague the Minister of Transport.

Mr. MacDonald (Egmont): Perhaps I could direct my question to the Minister of Transport and ask him whether his department has made such representations. More specifically, in view of the new safety bumper presently under discussion by the United States Senate commerce committee, has the minister anything to report with regard to the co-operation of the Department of Transport on a similar study to be undertaken in this country into this prototype bumper?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, to the second part of the question the answer is yes. I have had direct contacts with the automotive industry and also with my counterpart in the United States, the Secretary of Transportation. We have an understanding regarding the exchange of information on safety matters and an agreement that we will, to the maximum extent that appears possible and also desirable, at least attempt to get whatever new innovations are introduced in the United States introduced in Canada, and vice versa.

Mr. Speaker: The hon. member for Calgary Centre.

Mr. MacDonald (Egmont): A point of order, Mr. Speaker.

Inquiries of the Ministry

Mr. Speaker: I apologize to the hon. member for Calgary Centre. I realize that he has sought the floor for some time now, but the hon. member for Egmont is rising on a point of order.

Mr. MacDonald (Egmont): Mr. Speaker, I wonder whether the minister would respond to the first part of my question about style changes which the Minister of Consumer and Corporate Affairs was unable to answer.

Mr. Jamieson: Mr. Speaker, in the sense that style changes, or a great many of them, do have an effect on safety, yes, there have been representations made. However, there is some difficulty with regard to applying safety regulations per se to the matters the hon. member has referred to, that is, in terms of the extra cost of style changes.

Mr. Speaker: Order. I appreciate that the hon. member for Oshawa-Whitby has a supplementary but the Chair has recognized the hon. member for Calgary Centre and will recognize the hon. member for Oshawa-Whitby next.

* * *

TRADE

POSSIBLE ADMISSION OF UNITED KINGDOM INTO EUROPEAN COMMON MARKET—POSITION OF CANADIAN AGRICULTURAL EXPORTS TO GREAT BRITAIN

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, my question is directed to the Acting Prime Minister or the Minister of Industry, Trade and Commerce, either of whom may be in a position to answer it. In view of the reported imminence of the entry of the United Kingdom into the European Common Market, has the Canadian government now received any definite assurances that Canadian agricultural products will continue to have entry into the United Kingdom market on favourable terms?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the situation is very fluid at this time. We have intervened on a number of occasions, both in Brussels and in London, in order to safeguard as much as we can our grain exports to the United Kingdom. On the previous occasion we obtained a number of concessions when the British introduce the levy system. We hope that the transitional period will be as long as possible—it appears it is going to be five years—so as to permit our exporters to adjust progressively to the situation that will be created.

Mr. Harkness: As far as other agricultural products in addition to grain are concerned, have we received any assurances that they will continue to be able to enter on competitive terms?

Mr. Pepin: Mr. Speaker, I think the best thing for me to do is to provide the hon. member, and possibly the House, with a detailed assessment of the situation. It would be difficult to answer for every product since the situation varies from one to another.

[Mr. MacDonald (Egmont).]

Mr. Harkness: Would the minister provide this detailed statement in the form of a statement on motions or otherwise so that the information will be in the hands of the entire House?

Mr. Pepin: It is perhaps dangerous to do so, Mr. Speaker, since these negotiations are going on now and, as I have said, the situation is fluid. I was volunteering in fact to have a very friendly conversation with my hon. friend.

Mr. Speaker: Order, please.

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INDUSTRY

AUTOMOBILES—SUGGESTED IMPROVEMENT OF CANADIAN SAFETY STANDARDS—EFFECT ON NORTH AMERICAN PRODUCTION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, my question is supplementary to the one asked the Minister of Transport. In the past Canadian automotive safety standards have tended simply to duplicate those in the United States since the larger part of the market is south of the border. Given the fact that the percentage of cars now being produced in Canada does constitute a major segment of the total North American market, is the minister now considering improving safety standard regulations in Canada and thereby influencing in a significant way what happens in terms of the production of automobiles on the whole continent?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the answer is that I held discussions as recently as two weeks ago with one of the major auto manufacturers in which I indicated to them in general terms our desire to move independently regarding the introduction of certain safety standards that have particular applicability in Canada. I think I can say I received a positive response in this regard from the auto manufacturers. Perhaps more than most the hon. member will know the complexity of this subject in that many of the cars manufactured in Canada are destined for the United States, and vice versa. But, in short, we are trying to do precisely what the hon. member asks.

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AIRPORTS

CALGARY INTERNATIONAL—PROVISION OF NEW TERMINAL BUILDING

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to ask a question of the Minister of Transport. In view of the fact that international airports are so important to our resource industries, as we were told today in the committee, I wonder whether the minister, having now seen the mayor of Calgary and discussed the question with the Minister of Highways of the province of Alberta, can make a clearcut statement on the development of the international airport at Calgary?

Hon. Donald C. Jamieson (Minister of Transport): I would be pleased to, Mr. Speaker. I did meet with the mayor and representatives of Calgary yesterday and I undertook at that time to proceed without delay with the construction of a new terminal building at Calgary international airport.

* * *

FISHERIES

RECOVERY OF GEAR FOLLOWING INTERCEPTION OF CANADIAN VESSEL BY UNITED STATES COASTGUARD

Mr. Jerry Pringle (Fraser Valley East): Mr. Speaker, my question is directed to the Minister of Fisheries and Forestry. What action is being taken to recover from Canadian waters Canadian fishing gear which was abandoned as a result of interception by the United States coastguard during the recent incident involving a Canadian fishing vessel?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the Canadian fisheries research vessel *G. B. Reid* is on the spot now picking up the gear.

INQUIRY AS TO DESTRUCTION OF GEAR BY SOVIET VESSELS OFF EAST COAST

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, can the minister indicate whether there is any evidence on the east coast of Canada to indicate there has been an incident between the Soviet Union and Canadian fishermen similar to the one between the United States and the U.S.S.R.?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we have received no evidence that Russian fishing vessels are picking up Canadian lobsters off our continental shelf.

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INQUIRY OF THE MINISTRY

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question I should like to direct to the Acting Prime Minister having in mind the presence in Ottawa today of the Minister of Finance of Malaysia who was introduced to the House this morning. What consideration is the government giving to an attempt to retain that gentleman in the capital to advise it on its many financial problems?

Mr. Speaker: Order, please. The hon. visitor's services have been retained for parliamentary matters.

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FISHERIES

SWORDFISH—ASSISTANCE TO FISHERMEN BECAUSE OF CONTAMINATION

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I should like to direct my question to the Minister of Fisheries. In view of the fact that unemployment insurance benefits for some swordfishermen have terminated and they are unable to go swordfishing because of present food regulations, has the minister formulated a policy or program to assist these fishermen and, if so, when will this program be announced?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, a program has been developed in close co-operation with the province of Nova Scotia and we expect momentarily to be able to announce the details of this program in respect of the swordfishermen in question.

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LABOUR CONDITIONS

TIMETABLE FOR ACHIEVEMENT OF FULL EMPLOYMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Acting Prime Minister this question. In light of the statement made by the Minister of Finance that the government is committed to full employment, can he inform the House whether the government now has a timetable set for the achievement of full employment in Canada, and what year is it?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I am sure that any time other than as soon as possible would be unacceptable.

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INDUSTRY

PAUL MANEY LABORATORIES—ACTION TO PREVENT SALE TO FOREIGN INTERESTS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. Has his attention been drawn to the situation in respect of Paul Maney Laboratories, one of the largest independent drug companies in Canada, and the danger of it being sold to foreign investors? Does the minister intend to take some action to assist this company and prevent such a sale?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I cannot answer that question in detail at this moment, Mr. Speaker, but I will check further and try to answer on Tuesday.

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TRANSPORT

REQUEST BY MEMBER OF ARGENTIA TASK FORCE THAT CHAIRMAN RESIGN

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I have a question for the Minister of Transport. Will he tell the House whether he received a representation from a member of the Argentia task force in Newfoundland requesting that the chairman resign on the basis that the task force has failed to fulfil its objectives and the chairman misled a committee of the House of Commons with regard to employment?

Mr. Speaker: Order, please. Perhaps the question might be rephrased. The hon. member is simply asking whether the minister has received a communication and in these terms the question is not in order. The hon. member might like to complement the question to make it procedurally acceptable.

Mr. Carter: What action has the minister taken on the recommendation of a member of the Argentia task force that the chairman resign?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I have acknowledged the representation and I have sent the full text of the hearing to the gentleman concerned to see whether he will change his mind.

Mr. Speaker: Order, please. I am just now beginning to understand the background of the question and I would not think it should be directed to the Minister of Transport.

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THE CENSUS

OPPORTUNITY TO INDICATE UKRAINIAN AS MOTHER TONGUE

Mr. Allen B. Sulatycky (Rocky Mountain): Mr. Speaker, may I direct a question to the Minister of Industry, Trade and Commerce. Has the government made a decision to downgrade the Ukrainian heritage in Canada by removing reference to the Ukrainian language in the 1971 census and, if so, has this been done in order to please the U.S.S.R. as has been alleged?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the right hon. member for Prince Albert, as often happens, has been mischievous on this subject and I should like to state the facts. There is no such situation. All mother tongues will be recorded in the coming census. This is very important, Mr. Speaker, so would you kindly allow me read two paragraphs from DBS to set the record straight because the record has been deformed.

On form 2A, which goes to two-thirds of all households—this is the short nine-question form—space limitation permitted provision of separate marking positions only for those mother tongues anticipated to be the four numerically largest in the country. Persons with mother tongues other than these four will write in their specific mother tongues, such as Ukrainian, Polish and others, in the space provided on the document. These write-in entries for mother tongues will be coded and separate statistics provided for them in the 1971 census publications.

It should also be noted that on form 2B, the long questionnaire which goes to one-third of all households, space limitations are not as stringent and separate marking positions are provided for a number of additional origins and languages including Ukrainian in question 15 on "ethnic origin" and in question 17 on "language most often spoken at home." So the rumour is wrong, Mr. Speaker.

[Mr. Carter.]

THE CANADIAN ECONOMY

INFLATION—ACTION TO BE TAKEN BY PRICES AND INCOMES COMMISSION

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. As the minister has had ample opportunity to discuss with the chairman of the Prices and Incomes Commission what steps the commission intends to take to fight what the chairman has described as Canada's No. 1 economic enemy, inflation, will the minister outline to the House what steps the commission is going to take to fight this No. 1 enemy?

Mr. Speaker: Order, please. I recognize the importance of the question asked by the hon. member, but he will appreciate that he is inviting the minister to make a rather lengthy statement of a type that normally should be made on motions.

Mr. Hees: Mr. Speaker, I was just getting to that part of my question. I was going to ask the minister whether he would take the first opportunity on motions to outline what steps the Prices and Incomes Commission intends to take to fight this No. 1 economic enemy as described by the chairman?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, any changes in government policy from what is now a rather successful fight against inflation will, of course, be announced in the normal way. No doubt my colleague the Minister of Finance will have a good deal to say about this in the budget speech to be presented next month.

Mr. Speaker: Order, please. I wonder whether hon. members would allow me to go to the next question. We are running short of time and the hon. member for Huron in particular has been trying to ask a question.

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AGRICULTURE

FARM MACHINERY—COMMISSION RECOMMENDATION OF CENTRAL TESTING AND EVALUATION AGENCY—SUBSIDIZING OF INTEREST RATES

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Agriculture and has to do with the Royal Commission on Farm Machinery. Does the government intend to set up a central testing and evaluation agency for farm machinery as the report recommended?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, a decision has not been made on that but, as I indicated yesterday, this is one of the recommendations in which we are keenly interested.

Mr. McKinley: Will the government give consideration to subsidizing interest rates for the purchase of farm machinery in order to assist the farm machinery manufacturers and the farmers?

Mr. Olson: Mr. Speaker, while this does not amount to subsidization, there is a very satisfactory and lower than commercial rate of interest now charged to farmers through the Farm Improvement Loans Act and the Farm Credit Corporation. To extend that to cover the credit required by dealers would require a change in the act. We will have a look at that suggestion as well.

FARM MACHINERY—CONSULTATION WITH PROVINCIAL DEPARTMENTS ON IMPLEMENTATION OF COMMISSION RECOMMENDATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, will the minister say whether he is consulting with the provincial Departments of Agriculture in order to ascertain which parts of the royal commission report can be implemented as soon as possible?

Hon. H. A. Olson (Minister of Agriculture): We will do so, Mr. Speaker. In fact there is a meeting of all Ministers of Agriculture in Canada slated for July 20, I believe. I am sure this is one of the subjects that will be on the agenda.

FARM MACHINERY—MEETING WITH INDUSTRY REPRESENTATIVES

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I ask the minister when he proposes to meet with representatives of the industry?

Hon. H. A. Olson (Minister of Agriculture): I will be meeting with some representatives of the farm machinery manufacturing industry this afternoon.

FARM MACHINERY PRICES—EXAMINATION BY COMBINES INVESTIGATION BRANCH

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a supplementary question to the Minister of Consumer and Corporate Affairs. On May 4 I asked the Minister of Agriculture whether an investigation into farm machinery prices would be undertaken by the combines investigation branch. The response by the Minister of Agriculture was that the Minister of Consumer and Corporate Affairs had considered that course months ago. Will the minister now indicate whether such a course is still being considered and, if so, when can we expect such an investigation under the Combines Investigation Act?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The interim report from Professor Barber indicated that there were certain aspects of the farm machinery industry that should be examined by the combines branch. It can be taken as said that any such direction would be attended to by the Director of Research and Investigation.

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AIR TRANSPORT

DISCRIMINATION IN FARES AGAINST DOMESTIC TRAVEL

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a question for the Minister of Transport.

Inquiries of the Ministry

Is he going to inquire into and make a statement on the increasing complaints that air fares are becoming biased toward travel outside rather than within Canada?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the chairman of the board of Air Canada appeared before the Committee on Transport and Communications yesterday and I understand he is returning next week. Since to a great extent this is a matter for the airlines it might be appropriate for committee members to ask him these questions. In a general way I might say I am keeping a watching brief on the situation. I would expect that international fares are likely to go up in the near future if all the current reports are correct.

INVESTIGATION OF INCREASE IN CHARTER RATES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a supplementary question for the Minister of Consumer and Corporate Affairs. Is the Prices and Incomes Commission looking into the spontaneous decision of three Canadian carriers to raise charter rates by as much as 10 per cent now and 30 per cent next year and, if so, when will a statement be made on this matter?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): I will have to determine that from the chairman.

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INQUIRY OF THE MINISTRY

Mr. J. P. Nowlan (Annapolis Valley): My question is supplementary to some asked earlier of the Acting Prime Minister. Could the Acting Prime Minister tell us whether the announced resignation of the hon. member for York West last night and the question of privilege raised in the House of Commons today had any reference or relationship to the activities in Moscow in the last two or three days?

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NATIONAL PARKS

LAKE TIMISKAMING AREA—NEGOTIATIONS BETWEEN ONTARIO AND QUEBEC RESPECTING DEVELOPMENT

Mr. Arnold Peters (Timiskaming): I had intended to ask a question of the Minister of Indian Affairs and Northern Development but I see he has left. Perhaps his parliamentary secretary would take notice of the question. Some time ago the minister indicated that negotiations were taking place between the province of Ontario and the province of Quebec toward the development of a large national park in the Lake Timiskaming area. I wonder whether these negotiations have now been concluded and, if so, with what result?

Mr. Speaker: I assume the hon. member's question has been noted.

Inquiries of the Ministry

INQUIRY OF THE MINISTRY

Mr. E. B. Osler (Winnipeg South Centre): Mr. Speaker, a short time ago a book was published in the United States alleging that Mr. Pearson and Mr. Bryce gave improper information to IT and T in connection with a project known as "Deep Freeze" in about 1954. Has the government taken any steps or is it contemplating any steps to investigate this serious allegation?

Mr. Speaker: Order, please. I think that this question might be placed on the order paper. If there is urgency, I am sure that many hon. members would want to return at the time of adjournment to hear the hon. member expound on the matter and ask the question in a more detailed form.

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TRADE

PROVISION OF MARKETS FOR PULP AND PAPER INDUSTRY PRODUCTS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): My question is for the Minister of Industry, Trade and Commerce. In view of lay-offs in the pulp and paper industry because of marketing and monetary circumstances, can the minister advise what initiatives his department or the government is taking to firm up these markets and stabilize the industry's future?

Mr. Speaker: Order, please. The question can be allowed only if the minister will reply briefly. Normally a reply to such a question should be given in the form of a statement on motions.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Following representations made by the industry and the Secretary of State for External Affairs and myself to EEC countries some very important developments took place a few days ago following negotiations concerning pulp and newsprint. On pulp, the 3 per cent tariff on entry will be suspended. On newsprint, there will be a free entry quota which will permit Canadian pulp and paper producers to continue competing on the British market. The industry will also have a free entry quota on plywood on the continent, whereas in the past they had to pay a 13 per cent tariff.

Mr. John Lundrigan (Gander-Twillingate): In view of the fact that the largest market for Canadian pulp and paper is the United States, has any initiative been taken at that level to try to improve the marketing conditions at present?

Mr. Pepin: I have no special development to report on that front.

SUGGESTED MORATORIUM ON FEDERAL GRANTS FOR NEW PAPER MILLS

Mr. James A. McGrath (St. John's East): Is the minister prepared to recommend to his colleagues, especially to the Minister of Regional Economic Expansion, that a moratorium be placed on federal grants for new paper mills in Canada until the paper market has had a chance to improve?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Every project is studied on its own merit.

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PENITENTIARIES

KINGSTON RIOT—REQUEST THAT INQUIRY BE HELD IN PUBLIC

Mr. John Gilbert (Broadview): My question is for the Solicitor General. In view of the concern expressed by John Hodgson, vice-president of the Ontario Bar Association, that the integrity of the proceedings of the Swackhammer Commission investigating the riot at Kingston may be questioned if the proceedings are held in camera rather than in public, would the minister reconsider his decision and have the hearings held in public and at the same time protect the names and reputations of the witnesses?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I do not have to judge the credibility a lawyer attributes to the remarks of the chairman of a commission.

[*English*]

DISCIPLINING OF INMATES MOVED FROM MILLHAVEN TO COLLINS BAY OR KINGSTON—LAYING OF CHARGES—RIGHT TO COUNSEL

Mr. John L. Skoberg (Moose Jaw): Can the Solicitor General say whether the inmates moved from Millhaven to isolation in Collins Bay and/or Kingston are being disciplined? Can he also say whether they have been charged and, if they have, whether they have been given the right to counsel?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, no disciplinary action has been taken. None will be taken before the inquiry commission reports. To my knowledge, there have been no criminal proceedings. Of course, it is up to the Attorney General of Ontario to decide when to prosecute, if it is necessary.

[*English*]

PERMISSION FOR MEMBERS TO VISIT INSTITUTIONS

Mr. Eldon M. Woolliams (Calgary North): In light of recent problems in penitentiaries, would the Solicitor General now change his mind with regard to the situation and the position he and all other Liberals on the committee took about Members of Parliament visiting the

institutions to determine what is going on with regard to the mistreatment of prisoners in Canada at this time?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have nothing to add to what I have said already. Inquiries are under way. I should like to complete my previous reply to the hon. member by saying that if legal proceedings are instituted against the prisoners, I trust the provincial authorities who are directly responsible will provide them with legal counsel, or that the Law Society of Upper Canada will attend to it. If, on the other hand,—not that I expect it to be the case—the prisoners are without legal counsel, we will take all the necessary steps to ensure that their rights are respected in court.

[*English*]

Mr. Speaker: The Chair will allow the hon. member for Skeena to ask the last supplementary question. The question period expired four minutes ago but we have gone beyond our time because of supplementary questions.

DETENTION OF INMATES IN ISOLATION AT COLLINS BAY

Mr. Frank Howard (Skeena): The supplementary question I wish to ask the Solicitor General relates to his statement a moment ago that no disciplinary action is being taken against any of the inmates who were presumably involved in the riot at Kingston. With respect to the seven inmates who were transferred from Millhaven on the night of May 12, I believe, to Collins Bay penitentiary, where they are now being held in isolation or, in other words, in the hole or in the dungeon, does the minister not consider that to be a form of punishment?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, there is no doubt that, immediately after the disturbances in Kingston, there was not enough room for some inmates and we had to make use of all other premises available. The choice was not ours, but that of the inmates. Up to now, no disciplinary action has been taken against the inmates and, recently, considering further disturbances were expected—

[*English*]

Mr. Peters: You are not allowed to be dishonest.

Mr. Speaker: Orders of the day.

Mr. Peters: Just because you are a minister, you cannot lie here.

Mr. Hees: Just watch him try.

Mr. Speaker: Order, please. Orders of the day.

• (12 noon)

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED NEED OF DEFENCE POLICY TO DEMONSTRATE WILLINGNESS AND CAPACITY OF CANADA TO CONTRIBUTE TO WORLD PEACE

Mr. J. M. Forrestall (Dartmouth-Halifax East) moved:

That in the opinion of this House the government, having reduced our defence capacity by erosion of our NATO commitment, reduction of our active and reserve forces, and mismanagement of our material and supply requirements, has downgraded our armed forces and led to a questioning of our credibility by our allies.

This House therefore urges the government to declare a defence policy that will clarify the role of our armed forces at home—with particular reference to our north and aid to the civil power—and which will demonstrate our willingness and capacity to contribute to world peace by honouring our alliances.

He said: Mr. Speaker, in the few minutes available to me today, virtually on the eve of the production of the first white paper on defence policy in some years, I wish at the outset to pay some tribute and compliment to the members of the Canadian Armed Forces, particularly in light of the role they played in our society in the communities of Quebec City and Montreal, and in our nation's capital, during the crisis last fall. It was a tangible thing which brought them to the attention of the Canadian people more than did any other single event in recent years.

While that was a tremendous job I also wish to pay tribute to the normal work they do and which Canadians, by and large, never hear about. I wish to pay tribute to their professionalism, dedication and skill. As long as we are served by men of the skill, competency and professionalism that I have noticed in our Armed Forces, Canada will be well served, and our Minister of National Defence (Mr. Macdonald) will be well served. Having said that, I wish to put as quickly as possible some basic and general comments on the record.

When talking about a defence policy or structure for Canada, the basic consideration we must keep in mind is that a threat does exist. The setting up of Nato and of our other alliances was in response to a recognition of that threat. Today, simply because time has passed, and because the nature of society has changed to some degree, it would be unwise for us to conclude that the nature of the threat has changed to such a degree that we might consider it no longer exists.

This period of apathy, stemming from familiarization with peace at home and the non-inolvement of Canadian forces in active warfare, could lead us into a state where perhaps many would not consider the threat to be as real as I continue to believe it is. The white paper is going to be produced against the background of a defence budget freeze, without any indication that the freeze will be lifted. Indeed, there are acceptable levels of argument to indicate that the freeze will not be lifted.

It must be remembered that Canada has made certain commitments to its allies. These must be given very serious consideration by the minister during the final drafting of his white paper, which I presume will take place on his return from the spring meetings of the NATO Council of Ministers, to which he will be travelling next week. In this atmosphere of complacency stemming from the non-involvement of Canadian forces in active warfare, we must be careful not to ignore the perception evident in the views of our allies with respect to the threat, and the changing nature of the threat. The image that the Department of National Defence conveys is important to the many Canadians who are interested in the Armed Forces, and here I refer to both civilians and servicemen. I bring no new light to bear on the problem when I say that the morale of the forces is not at a level it could be at, or a level it should be at. I am concerned, as are many servicemen and civilians, that the forces have been downgraded through a series of events, none of which were within their control.

I hope the government fully understands that reductions, continuation of the budget freeze, and the insecurity and uncertainty caused by these two factors, erode even further the present shakey morale in the Armed Forces. To meet this threat, we hope the government will come to grips with the points I have enumerated, the questions of concern, the questions of realism, the question of a budget freeze, the question of commitments to our allies, the question of morale in the forces. While there may be ample wisdom in the Minister of National Defence reflecting in his white paper what appears to be the clear national will against expanding defence forces at this time, it is to be hoped that he will not so restrict the forces that we will slip even further down the ladder of credibility in the eyes of our own people, in the eyes of our neighbours to the south, and indeed in the eyes of our allies in the western world.

We see the problem in several ways. Today in 1971, on the eve of a white paper, we see the problem as being one brought about by the total absence of a clear, well defined national defence policy. Since the government came to power we have had ad hoc, irrelevant and inconsistent measures taken, and we still have to hear the minister's grand design. Mind you, he has taken advantage of many opportunities to elaborate it for us item by item, but we still have to see it all put together.

This vacillation, indecision and delay have brought about some degree of suspicion, which I think is justified, on the part of some of our allies. I think we have encouraged some potential enemies to look upon us askance and wonder whether or not we are credible about anything. Again, and more important, this beating around the bush, this delay and procrastination have contributed even more to lowering the morale of the men in the forces. Instead of a logically developed plan we have had the former minister's troubled dream of unification, arising out of the white paper of 1964-65. Here, I refer to the hon. member for Trinity (Mr. Hellyer). We had an extensive cutback in our NATO commitment just two years ago, to the point where we now have only 5,000 or 6,000 men in Europe. I might add they are poorly equipped, there has been no firm decision as to what we are going to do with respect to replacing them.

We have had a reduction in our Armed Forces from about 120,000 in 1964 to the rapidly approaching 80,000 mark of today. We see the reduction of the militia to some 17,200 men from a figure much closer to 30,000. In the beginning of 1970, we were told that the defence budget would be frozen at least for the next three years. We have seen the errors which resulted in the dropping of the *Bonaventure*, and the failure to find a use for our brand new CF-5 aircraft. The list is almost endless.

• (12:10 p.m.)

Sometimes I wonder whether or not the white paper will be developed on the basis of non-availability of dollars and manpower resources or the philosophy upon which it should be based, our perception of the nature of the threat and acceptance of the fact that it is a real threat rather than an imagined one. A close look at defence expenditures over the last ten years reveals, parallel to the reduction in forces, a steady decline in Government expenditures on defence and in the priorities which have been established for the department. In 1960 the defence budget was $1,537 billion or 26.9 per cent of the total government budget. In 1966 this percentage dropped to 20.6. Since 1968 the defence budget has been effectively frozen at around $1.8 billion and by 1973 it will represent an insignificant portion of the Canadian commitment of its total budget.

Some hon. Members: Shame!

Mr. Forrestall: This has meant a steady and steep decline in defence expenditures as a percentage of the total government program, from approximately 20 per cent in 1967 to slightly over 12 per cent during the fiscal year 1971-72. Furthermore, the freeze will continue through 1973, meaning a further decline in defence as a government spending item.

How much are we really investing here? On a per capita basis in 1970-71 defence cost us about $88, a decrease from the Korean peak of $132 in 1952-53. I do not have to mention the increase in government spending or the increase in the gross national product in this country in the years that have intervened. Even if you add atomic energy, which might be considered as part of our defence establishment, the budget per capita only comes to $91, compared with the United States per capita cost of $360. This gives us some measure of the understanding that we should bring to the contribution being made by the United States military forces to world peace and to the defence of North America. The latter is a role with which I think we just play around.

In 1969-70 Canada's total defence outlay was 2.3 per cent of the gross national product. Belgium, a country of nine or ten million people with an armed force of 70,000 spent 3.3 per cent in the same year, an indication that they take the matter of defence structure more seriously than we do. Canada with a population of 21 million has

80,000 or 85,000 people in the armed forces and who knows what the number will be by 1972? In 1964 when the last defence white paper was published, the Canadian forces numbered about 120,000 and today we are on our way to 80,000. What will this mean to our new defence posture? We will have to wait and see. I hope the minister will be able to be more precise when he presents his white paper.

A few things are clear. Four or five years ago with a substantially larger armed force we were scarcely able to meet our multiple tasking assignments, so how can we expect to do it with 80,000 people or probably less in 1972? Where will the minister find the resources and dollars for national sovereignty? Will he turn to the priority established by the Prime Minister (Mr. Trudeau) in 1969? Will he return to the area of defence of Canada for national sovereignty? If the minister is to lend substance to the posture of the Prime Minister on the question of the defence structure for the '70s he must find the resources and dollars to do it.

Then, we come to the question of NATO. The Prime Minister, our great national dove, is flitting around Russia and I do not know who is putting on the greater show, the Prime Minister or Charlie Lynch in his writings. Time will tell. From the minister's recent comments, it does not seem that we are going to find additional manpower or dollars for NATO. I can anticipate the minister's white paper. If that is his posture I would congratulate him on it. One might think that on an annual review basis we were going to honour our commitment to our NATO allies. I do not see any ground there for getting the resources required for lending effect to the white paper.

The joint US-Soviet statement of intent respecting the desire of those two great nations to arrive at an understanding with respect to the deployment of the ABM's some time this year, will have to lead to a very serious look at our NORAD position. I think the minister's options are now whether we are going to actively participate or whether, in exchange for active participation or a non-capital participation role, we will give to our American allies the advance staging requirements they need with respect to air fields for the AWAC plane carrier and the over the horizon radar program. His options are now more clear but I cannot perceive of the minister, in the next two years, walking away from our NORAD commitment. I can only see a changing emphasis and changing role but not much hope of finding the necessary resources.

If the minister touches Maritime Command, except to expand it, I will shoot him. He must find the manpower and dollars necessary for this area. He must do it not solely on the basis of expanding a paramilitary role to other departmental facilities and capabilities but rather in terms of the capabilities and facilities which continue to come under the direct control of Maritime Command. The problem of ground forces and Mobile Command is well illustrated by the desperate logistics situation we faced during the crisis last fall. What would we have done if there had been another call on Mobile Command then? As with Maritime Command this is an area where the minister must expand to change the impact on the direction of forces of training, so that is not a fertile ground either.

The minister needs resources and dollars and cents for a weapons system. I cannot see any way that he can cut back there unless we are to withdraw completely, and I cannot imagine that happening. We have to meet desperately needed weapon requirements. I do not find any great support in cabinet for such programs. Indeed, as I have already indicated, I think there is an inclination toward further retrenchment. In short, I wonder if the white paper will reflect any substantial changes. It should. Surely the world has changed in the last six years and surely the white paper ought to reflect some changes. I am not sure how they will be reflected.

• (12:20 p.m.)

The four broad directives the Prime Minister (Mr. Trudeau) laid down two years ago need implementing. It is the "how" that concerns us at this time. How will we defend our country? Indeed, against whom will we defend it? There is some confusion about that. I wonder how we will participate in NORAD. I wonder how we will participate in NATO with respect to equipment and what will be the thrust of our direction. What will result from an allegedly casual comment by American Secretary of Defence Laird with respect to the $500 million deficit in our defence productions sharing arrangements? I doubt very much that Defence Secretary Laird made such a comment casually. I doubt whether he made any casual comment during the minister's entire visit. You just do not make casual comments on occasions like that. When my banker says casually that I am overdrawn, he is not being casual; he is being polite and telling me in a nice way to get behind the ball and do something about my overdraft. I wonder to what extent that $500 million deficit will result in parts of the white paper being written in Washington. For instance, will we buy more Boeing 707's? Will we phase in the 707 to replace the Argus as a long range maritime and northern patrol aircraft? Will we buy that aircraft because it may be the best piece of equipment we can obtain? If it is, let us buy it for that reason and not simply because we happen to enjoy a favourable trade balance with the Americans.

I wonder how the minister, through the medium of the white paper, will deal with the future of the CF-5. Why does he not keep the House and the country advised with respect to the sale of these aircraft? Are the Norwegians interested in it? Are the Venezuelans interested? How will they be used in Canada? Will they be kept for training purposes or will they form part of our commitment to NATO for the defence of the northern flank? I hope that the minister will answer those questions.

I am also wondering what is to happen to our Hydrofoil. What plans are there for building these vessels and selling them? It is a tremendous piece of Canadian equipment that was designed and developed here. I think we ought to be more proud of it and we ought to capitalize more on the research and development dollars we

have invested in it. I hope the minister will be able to sell it. The Germans might be interested in it. I wish the minister well in his negotiations with them.

I wonder how the minister will de-emphasize the anti-submarine warfare role of maritime command. That has been its traditional role. How will he de-emphasize it? I know that the minister has not been happy with the DDH-280 program. He must find the money to pay for the vessels. One of the great psychological blocks to changing the role of maritime command stems from the names that we give to that role. Surely we must recognize that the role of maritime command in recent years has changed. Its role now is preponderantly one of surveillance, monitoring and detection, as opposed to its former role which involved anti-submarine warfare. The terminology used in connection with anti-submarine warfare dates back to the 1914-18 war, which was before my time and before the minister's time. I know that terminology was used in the Second World War. The term "anti-submarine warfare" no longer reflects the role of maritime command today. We should drop the term "anti-submarine warfare" denoted by the letters ASW. The role of the command involves surveillance, monitoring and detection, and "SMD" sounds much nicer than "ASW". These changes involve questions of psychology. I think the minister would find it much easier to sell his ideas to cabinet if he used new terminology and dropped the archaic terms that have been used to describe maritime command in the past.

We need a true submersible if we are to maintain, as the Prime Minister has suggested we should, our national sovereignty. We need a submarine. We need a nuclear submarine to be exact. We need three or four of them at least if we are not to pay mere lip service to the control of the north.

What substantial changes can be anticipated with respect to the size of our forces? Surely the white paper will deal, as well, with the widespread disquiet within the forces resulting from the continuing application of what may be described as archaic labour-management practices. On a number of occasions the minister has indicated clearly that there would not be an expansion of the forces but that there would be, rather, a realignment of trades. We must make certain that we can meet our external commitments.

The development of policy solely on the basis of our willingness to make available resources seems to me to be dangerous. If the threat is not real, then the government has the responsibility of saying so and of acting accordingly. On the other hand if, as I believe, it is real, then we must adopt a policy that will reflect honour on our country and the wisdom of the professionals in the Canadian forces. The white paper should say to our friends that we stand with them in the interests of preserving world peace and that we will play our role to the full. We will play the fullest role that our resources will permit in the preservation of those principles within which, and only within which, peace can be achieved and sustained. I urge the minister, in the final dotting of the "i's" and the crossing of the "t's", to show some concern for the professionals who serve our country so well.

[Mr. Forrestall.]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to congratulate the official opposition for introducing this important subject for debate. Having said that, I must also say that as far as this party is concerned we do not agree with the motion and we do not agree with the emphasis of the speech of the hon. member for Dartmouth-Halifax East (Mr. Forrestall).

Of course the subject is important, Mr. Speaker. The future security of Canada depends upon our armed services and our defence measures. Our contribution to the security and peace of the world depends upon our defence measures and the actions that we take for defence. We spend about $2 billion yearly of the taxpayers' money on defence. The function of Parliament in this field, as I see it, is not to attempt to discuss the details of hardware to use the jargon of those involved with defence; rather, it is to determine what shall be the essential roles to be served by the Canadian forces and to distinguish between those roles which are essential to the peace and security of Canada and those which are unproductive and wasteful and which lead to inflation and dissipation of the resources of the Canadian people in useless and obsolete systems.

I wish to ask some questions, and I think all hon. members of the House in debating the subject of defence ought always to ask these questions. I hope the forthcoming white paper will consider what roles the Canadian Armed Forces should play. I suggest that the first of these is the preservation of internal order in aid of the civil power. We know very well that the army played a big part in the disturbances of last October. We know that we live in an insecure world—it is insecure internally as well as externally—and the army has a back-up role to play of great importance in that particular field.

• (12:30 p.m.)

Second, the most functional role of our armed services is the defence of Canadian sovereignty against incidental attack or invasion of our territory or territorial waters by the forces of other countries. Precisely what that involves, I do not know, but I hope we will learn from the white paper and perhaps hear from the minister a definition of what he thinks is essential to the defence of Canadian sovereignty. I think all Canadians agree that the armed forces have a part to play in that defence.

The third aspect of defence which I regard as absolutely essential is a contribution by Canada to international order, building a world community, strengthening the United Nations and making forces available for peacekeeping. At the present time, it is fashionable for people to say that peacekeeping is a thing of the past and did not work. That is not true. We now have a peacekeeping force in Cyprus which may still be helping to preserve a measure of peace in a very disturbed part of the world, the Middle East. Every time there is a disturbance in the world, it is proposed that United Nations forces should act. Sometimes this is not acceptable and they do not act.

The Standing Committee on External Affairs and National Defence had a subcommittee which discussed the matter of peacekeeping. Among other things, we visited the United Nations. We discussed this matter with representatives of the United Nations, representatives of the great powers including France, the U.S.S.R. and the United States. Without exception, they said there was a future role for peacekeeping and that Canadian forces, by reason of their expertise, training and background of their country, might well be needed as a crucial component of a peacekeeping force to preserve the peace and security of the world.

These three functions, internal order, defence of sovereignty and aid to international order are all essential. We in this party approve of them. We believe our armed forces should be geared to perform these particular functions and trained and armed for these purposes. We do not think that Canada has much part to play in the major, strategic over-all defence of the North American continent. We are the neighbour of a superpower. Whether we like it or not, we are under the umbrella of that superforce as far as strategic power is concerned. We are not asked and do not need to make a contribution to that.

We in this party welcome the apparent move toward a limitation of the antiballistic missile system which appears to have been arrived in the SALT discussions between the United States and the U.S.S.R. We have stated many times in this House that multiplication of the antiballistic missile systems is another step in the mad momentum of the nuclear arms race, to be followed by further steps of escalation which would in turn minimize the changes made by the installation of the ABM system and leaves the parties exactly where they were before. We warmly welcome what appears to be a move in this direction as announced yesterday by the President of the United States.

I want to deal with some of our other roles. I want to deal with one role which we should now discard as obsolete. That is our participation in the NORAD system. I have said this before and I say it again. As everyone knows, that is a system of defence against manned bombers. It costs us at least $200 million a year. The estimates show this directly. We are not against co-operation in principle with our American friends, but we say that this particular defence is long obsolete. In the missile age of today, it is absolutely useless. A couple of well placed missiles could destroy the main bases in Canada which are used by NORAD.

As long ago as 1964, Mr. McNamara, the secretary of defence of the United States, said the only useful purpose of the NORAD system that existed at that time, and still exists today, was as a target for missiles which the U.S.S.R. had in limited numbers at that time. Since then there has been an increase in the number of U.S.S.R. missiles. One thousand high powered missiles would be a low estimate of what they actually have available. This defence, which was installed at great expense—

Mr. Deputy Speaker: Order, please, the hon. member for York-Simcoe (Mr. Roberts) would like to ask the hon. member a question on this point.

Mr. Roberts: Does the hon. member recall that Mr. McNamara's statement was perhaps referring to the skybolt missiles and not to the NORAD detection and warning system in its entirety?

Mr. Brewin: I may stand corrected. There certainly was the missile system involved in NORAD. He may not have been referring to NORAD as a whole. I am trying to point out that even that usefulness has now disappeared.

In 1964, General Simonds, a very distinguished Canadian soldier, pointed out to the committee on defence the reasons that this system was obsolete and should be scrapped. One of the reasons he gave was that the major defence against any attack by armed bombers was the fact that they could be detected shortly after they left their bases. We had detection systems on the North American continent to detect incoming bombers within a two hour duration of those bombers leaving their bases in their own territory and arriving at their targets in North America. Within two hours, the target planes could leave the ground and immense retaliation would be poured on the country that launched the attack. General Simonds said the Russians would have to be crazy to launch such an attack with manned bombers. What he said then applies today. Can anyone suggest, particularly at this time when our Prime Minister (Mr. Trudeau) is discussing protocols of friendship with the Russians, that their government would be crazy enough to launch destruction on themselves and the world by a manned bomber attack?

Once you have a system installed, it is easy to carry on with it regardless of whether it makes sense. There is a self-perpetuating tendency within military systems. I urge this government to have the courage to negotiate with our American friends and say to them that we are prepared to continue co-operating with them in detection systems, but anti-manned attack systems have not made sense for a long time, do not make sense now and regardless of what the Americans can afford, we cannot afford hundreds of thousands of dollars on something unproductive and useless.

My colleague, the hon. member for Yorkton-Melville (Mr. Nystrom), is going to discuss the question of NATO. It is well known that this party has expressed a desire to withdraw from NATO. I do not propose to discuss this except to deal with one aspect. I do not know how NATO can have credibility in the world when the principles which it proclaims in its charter are clearly flouted by the members of NATO. I refer to Greece and Portugal. The purpose of NATO is supposed to be to protect human rights, yet in these two countries and in the colonies of one of them, these human rights are disregarded by military dictatorships. If NATO is essential to the defence of the so-called free world, some steps should be taken to ensure that its members respect the basic principles. Instead of that, the United States has recently rearmed the colonels in control of Greece.

Mr. Nowlan: How about Czechoslovakia?

National Security Measures

• (12:40 p.m.)

Mr. Brewin: Canada, through its defence services, has a special role to play in helping to build a world community. We are free to do this because of our geographical position. If we were in a position such as Israel, which is more or less surrounded by hostile neighbours, we would have to devote a tremendous amount of effort to the actual defence of our territory. But because we are part of the North American continent, certain consequences follow. We are neighbour to a super-power against which we could not possibly contemplate defending ourselves successfully. Then again, since it is a super-power, we ourselves can scarcely imagine being attacked from any country outside. In these circumstances Canada can concentrate on doing what it can do well, and upon what it has done well, namely the roles I mentioned at the beginning of my speech.

The hon. member for Dartmouth-Halifax East began his remarks by complimenting the Canadian Armed Forces. I want to compliment them, too. I do not wish my compliments to lessen in any way the force of my plea to the government to squeeze out the waste resulting from the unnecessary roles now being played by the armed services. This is not the fault of the armed services but of the civilian administration. From my experience, and I have travelled with the defence committee through Europe as well as on this continent, I would say that our armed services are a highly professional, highly skilled force which does credit to Canada wherever it happens to be. I was in Cyprus and I saw what they were doing there. They are highly respected on the island. I was in Europe, and whatever we might think of our NATO role we cannot complain of the efficiency of our forces and the high regard in which Canadians are held there. If it is true, as I assert it is, that we are wasting hundreds of millions of dollars on an obsolete system which should be discarded it is up to the government to have the courage to say so and to get out of that particular system.

I have said we have a highly skilled professional armed service. I hope this will always be the case and that they will be well paid for doing their job. This brings me to a point. I would ask the minister to disregard some of the traditional advice he is probably getting and proceed toward conceding to the armed forces of this country the right to collective bargaining with regard to the conditions of their employment. I see no reason why this skilled and responsible group of people should not have the same right as others to present its claims. This has been permitted in other countries, in the Scandinavian countries and, I believe, in West Germany. It is very proper that a highly trained and, I would say, intelligent group of people should be shown this kind of consideration.

The idea is a new one. It sends chills down the spines of certain people with traditional attitudes. They immediately begin to ridicule it by asking: How can you bargain collectively in the middle of a battle? Of course, this is not intended to be suggested. What we are dealing with are peacetime activities and conditions of work of those who from day to day are carrying the burden of service in the military forces. If they do not want to be represented collectively there is no reason why they should be so represented, but if they want to be represented like others who work for the Canadian community they should not be treated as an inferior class. I think I have seen expressions of opinion by the minister in which he appeared to frown upon this idea but I hope he will reconsider it, because an up-to-date force deserves this sort of treatment from the community which employs it.

I began by saying I welcomed the introduction of the subject of national defence into this debate. It is not a subject which has great appeal to those outside, but it is one of tremendous importance to the security of the country and to the taxpayers of the nation. I am looking forward, as all members must be, to the white paper on defence because we as parliamentarians have a responsibility to review carefully the roles and tasks imposed upon our armed services, to provide them with the means to carry out those tasks, and to take away from them tasks which are useless and outmoded.

Mr. John Roberts (York-Simcoe): I, like the hon. member for Greenwood (Mr. Brewin), was delighted when I saw the Official Opposition had placed this motion on the order paper. I thought, as did the hon. member for Greenwood, that it meant the Official Opposition was seizing the opportunity on the eve of the white paper to present to the House of Commons a series of considered views on what it believed the white paper should contain. I thought it would seize this debate as an opportunity to present the Conservative view as to what our national defence policies should be.

I was somewhat surprised, therefore, to find that while the hon. member for Dartmouth-Halifax East (Mr. Forrestall) did say we should make great changes, and—rather than simply formulate a defence policy with financial limitations in mind—that we should begin with an analysis of the threat facing Canada and on that basis arrive at an appropriate defence policy, he made no analysis of what constituted the threat to Canada in the course of his speech. What he gave us was a rambling survey of certain decisions which had been taken in the past. He wondered about a lot of things. He wondered where we were going to find the resources. He wondered whether our priorities were those which had been outlined on one occasion by the Prime Minister (Mr. Trudeau). He wondered what we were going to do about NORAD. He wondered what we were going to do about maritime defence. He wondered about our readiness for anti-submarine warfare. In short, there never was a speech more full of wonderment.

On the basis of all this wonderment, what did he produce? Well, he produced some suspicions. He suspected the government was going to do something or, rather, that it was not going to do something. On the basis of suspicion of what the government was not going to do, he attacked the government for not doing what it was not going to do. Instead of a constructive analysis we heard a series of hypotheses, the construction of straw men which the hon. member then tried to knock down. I found

myself asking why the hon. member had not waited until the white paper was before the House. At least, he would then have been able to criticize on the basis of definite programs and proposals. But instead of seizing the opportunity to give advice to the minister—and the minister is a reasonable man open to advice, ready, almost to a fault, to accept criticism and constructive comments—the hon. member allowed it to pass by. Here was a chance for the Official Opposition to put in its oar and assist in the consideration of a more sensible and rational defence policy for Canada. I regret the hon. member for Dartmouth-Halifax East, a man who is capable of giving this kind of help, chose not to do so. I trust that when the white paper is presented we shall be given a full description of what the Conservative party would present as a defence policy.

• (12:50 p.m.)

I was, however, pleased to hear one point that was made by the hon. member for Dartmouth-Halifax East, who together with myself was involved in the report of the external affairs committee dealing with maritime affairs. At that time we found ourselves in some disagreement about the approach taken by the Canadian government to maritime defence, particularly in relation to anti-submarine warfare. In one place in his speech to-day he said change indicated that we should take a sceptical look at some of the things we have been doing, particularly in relation to anti-submarine warfare. I was delighted to hear that because that was the view which I presented to the external affairs committee, a view which was attacked specifically at that time by the hon. member for Dartmouth-Halifax East.

Mr. Forrestall: It is the other way round: you attacked my view.

Mr. Roberts: Well, we were in disagreement at that time and I am delighted to see that things have now reached the stage where the hon. member is supporting the position that I took.

On the other hand, I must say that the hon. member for Greenwood (Mr. Brewin) presented the kind of speech that in a way I had hoped the hon. member for Dartmouth-Halifax East would present, because he did outline a set of priorities which he felt should determine Canadian policy. While I would not say that he necessarily presented them in the proper order of importance, the priorities that he expressed are the right priorities.

I was particularly pleased with the reference he made to the peacekeeping role. As you know, Mr. Speaker, I was honoured to be chairman of a sub-committee of the external affairs committee which examined in considerable detail this whole problem of peacekeeping. I would like to associate myself entirely with the remarks of the hon. member. I came to exactly the same conclusions as he did; that the peacekeeping role that the Canadian forces have performed with so much distinction in the past is one which is greatly appreciated at the United Nations and by our allies in the western alliance.

This is something that we should continue to do. We have some unique qualifications, both in terms of technical expertise and in terms of a political position, which make us an acceptable peacekeeper in most countries in the world. It would be a very regrettable day if any government ever decided to diminish the emphasis we now place on the maintenance of a peacekeeping capacity for the Canadian Armed Forces.

One of the hon. members taking part in today's debate emphasized that there is still a threat to Canda. If we harken back to the days when NATO was established in the late forties and early fifties, there was then a clear and evident military threat which the countries of the western alliance perceived and came together to defend themselves against. It would be a mistake to consider that the threat is unchanging and that the world has not changed. Perhaps it would be a very conservative view of history, a conservative approach to our forces, if we always concerned ourselves with the threats of yesterday and not with the threats of today. The world has evolved in the 20 years that NATO has existed, and while there is undoubtedly still a threat, the nature of the threat has changed considerably. What has changed even more is the capacity of other western nations to confront that threat.

In the late forties and early fifties Europe was still recovering from the effects of the last war. It had a shattered economy and in some ways a shattered morale, and the kind of participation that we in Canada then undertook in NATO was exceedingly important. In the past 20 years, however, there has been a revival of the European economy. We have seen in relation, for instance, to the freeing of the German mark the enormous present economic strength of Europe. There has been a rebuilding and a revitalization of Europe. We are now in the position, one we were not in in the early 1950's, where the countries of Europe themselves can play a much greater role in sharing the burden of our common defence than they were able to do.

In the passing years Canada, too, has changed. Our perspectives have changed. We have new domestic problems and we also have new interests in foreign affairs, not only the same ones that we had 20 years ago. So our perspective has changed just as at the same time the capacity of Europe to defend itself has changed. Therefore, it is not surprising that after 20 years we should have reassessed our role in NATO.

The hon. member for Dartmouth-Halifax East criticizes us for ignoring the view of our allies. That is not what we did, Mr. Speaker. We consulted with our allies and we talked to them about our problems. We discussed the change in perspective. Of course, they were not exactly joyful at the fact we made a relatively minor reduction in our forces; they were not joyful that they would have to take a bigger share of the burden. But there were consultations and discussions about how these reductions should take place. If we were not to take the position that, after all, the final determining voice in what Canada's defence policy should be is our own assessment of what our interests are, then what kind of defence policy or foreign policy would we have?

Is the hon. member for Dartmouth-Halifax East suggesting that we should never implement a policy that we

think to be right simply because our allies are in disagreement with part of it? I suggest that we must be the final determinant of what our defence policy should be. Having come to that decision, it was only right to do what we did, namely to consult our allies on how these force reductions should be implemented, in what area and in what sector.

Mr. Forrestall: There are only two minutes left for you to enlighten us.

Mr. Roberts: Mr. Speaker, the hon. member says that I have only two minutes remaining in which to enlighten him, and I regret that very much because it would take a lot more than two minutes to enlighten the hon. member. Given the impossibility of the task I will not even try. What I will do instead is to come back to one remark made by the hon. member for Greenwood when he discussed NORAD bomber defence. I agree to some considerable extent with what he said. There has certainly been a diminishment of the bomber threat. At one time I shared his view completely that we could dismantle our protection and defence system; but I also feel that while it is wrong to over-emphasize its role there is still the necessity to maintain a detection and surveillance system, if only to make sure that the bomber threat is a second strike threat and not a first strike threat. At the moment we are in an era where there are considerable technological developments taking place in this particular area, for example, in AWACS—airborne warning and control system—and in over-the-horizon detection systems. I think in view of the uncertainty over what this technology is likely to produce it is best at this time to make no dramatically new decision in the NORAD area.

Where I hope the Minister of National Defence (Mr. Macdonald) will take a searching look at our commitments is in the realm of anti-submarine warfare. The present concept of strategy that we in the west and the Russians accept is that we should both have a guaranteed second strike capacity. The nuclear balance depends upon both sides knowing that they have the capacity, no matter what comes in the worst way from their point of view, to be able so significantly to destroy the other side that neither party would voluntarily launch an attack upon the other. Within the design of that strategy it is enormously important that the basis for that guaranteed destructive capacity on both sides is the missile attack capacity presently held by submarines. I think it is extremely dangerous for us to try to implement policies that would destroy the credibility of a guaranteed response as a second strike weapon by nuclear submarines. We have not reached that stage yet, and I hope we never will.

Mr. Speaker: Order. I regret to interrupt the hon. member but it is one o'clock. I gather that before the Chair calls it one o'clock the President of the Privy Council, after having had consultations, would like the consent of the House to revert to motions. Is that agreed?

Some hon. Members: Agreed.

[Mr. Roberts.]

ROUTINE PROCEEDINGS

BUSINESS OF THE HOUSE

DESIGNATION OF DAY FOR COMMITTEE WORK

Hon. Allan J. MacEachen (President of the Privy council): Mr. Speaker, I should like to request a short order to the effect that the House adjourn next Thursday so that the standing committees can make progress with their work and that Thursday, May 27, 1971 be deemed to have been one of the days referred to in standing order 52(5). May I read the order:

That in order to permit the Standing Committee of the House to make progress with their work, when the House adjourns on Wednesday, May 26, 1971, it shall stand adjourned until Friday, May 28, 1971 at 11 o'clock a.m.; and that Thursday, May 27, shall be deemed to have been one of the days referred to in Standing Order 58(1).

• (1:00 p.m.)

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, we agree to this, but I want to say that shutting down the chamber is a serious matter to us. There are many of us on this side of the House, including myself, who do not like this idea as a matter of principle. We tried it before and it did not really accomplish much. This time there is a fairly good mood of co-operation and we have a lot of work to do, some in respect of very contentious bills. We will try it again, without any prejudice to the future. I hope it will serve to concentrate attention on the committees and we can really get down to business. I hope the minister will watch the scheduling on Thursday so there will not be any serious conflicts, and so that some unnecessary committee work can be reduced or eliminated.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, as the member for Saint John-Lancaster (Mr. Bell) has said, we are reluctant to give up a day's sitting of the House, but I think it is fair to say that all of us who have been involved in the negotiations about this matter agree that we need a few days for important committee work. As for this one day, to which we have already agreed, we support the motion.

Mr. Speaker: Hon. members have heard the motion proposed by the President of the Privy Council (Mr. MacEachen). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

Mr. Knowles (Winnipeg North Centre): Anything else, while the mood is so agreeable?

Mr. Speaker: It being one o'clock, I do now leave the chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED NEED OF DEFENCE POLICY TO DEMONSTRATE WILLINGNESS AND CAPACITY OF CANADA TO CONTRIBUTE TO WORLD PEACE

The House resumed consideration of the motion of Mr. Forrestall:

That in the opinion of this House the government, having reduced our defence capacity by erosion of our NATO commitment, reduction of our active and reserve forces, and mismanagement of our material and supply requirements, has downgraded our armed forces and led to a questioning of our credibility by our allies.

This House therefore urges the government to declare a defence policy that will clarify the role of our armed forces at home—with particular reference to our north and aid to the civil power—and which will demonstrate our willingness and capacity to contribute to world peace by honouring our alliances.

Mr. Roberts: When I was speaking just before the luncheon break I was trying, at the end of my speech, to give a short sketch of the situation in which Canada finds itself, and to do so in a constructive way. I spoke of how the threat to Canada has evolved, and on the basis of that I attempted to indicate what kind of priorities we should give to our defence policy. The world of the 1970's is very different from the world of the early 1950's when the NATO alliance was established. The defence of Canada has changed and the nature of our perspective has changed. In the post second-world-war period there was the cold war rigidity. We are now in a world which appears much more flexible, a world which is sometimes described as multi-polarized.

Even in the last few weeks we saw dramatic steps forward in adopting a less rigid, more flexible international world perspective. There has been the announcement by Mr. Nixon regarding some hopeful perspectives with regard to ABM. There has been the visit of our Prime Minister (Mr. Trudeau) to Russia, and a signing there of agreements which will open up channels of communications between our two countries. There has been the entry of the Chinese into world affairs, demonstrating their desire to participate more closely in the international community than has been evidenced in the past. In our own case, there is our interest in internal order, which we did not emphasize so strongly in the 1950's, a concern regrettably made necessary by recent events. There is the whole problem of sovereignty in relation to the Arctic, and a concern over our strong economic interdependence with some of our allies.

In that changed perspective I suggested that the emphasis we should give to our defence policy was as the hon. member for Greenwood (Mr. Brewin) said, a continuing dedication to the concept of peacekeeping and a

continuing dedication of our armed forces to maintain their capacity to serve in that way. Our concern should be not to fundamentally revise our NORAD commitments but to wait and see, certainly not to make great expenditures on equipment in the NORAD area. With regard to NATO, we should continue our policy of reduced commitment which is designed, in a flexible way, to use our capacity for things other than simply our participation in NATO defence.

But, more particularly at the end of my remarks I was trying through you, Mr. Speaker, to suggest to the Minister of National Defence (Mr. Macdonald) that we should examine very carefully our role in anti-submarine warfare. I say this for two reasons, the first being that the technology of anti-submarine warfare, with the use of nuclear powered submarines, has entered a new level of research and development, one so costly that in my view it would be doubtful if we could participate in it and bear the financial burden for very long without rethinking our role. My second doubt is related to the basic strategy of mutual deterrence.

• (2:10 p.m.)

This strategy is that both we in the west and Russia depend on having a second strike capacity which can inflict such damage on any potential attacker that that attacker would be effectively discouraged from launching an attack. An important basis for that second strike capacity is the maintenance of a relatively invulnerable submarine launched ballistic missile. If we, through our efforts in anti-submarine warfare, could reach a stage where we could threaten that second strike capacity on the other side, we would have reached a very unstable level of deterence. Therefore, it seems to me inappropriate for us to spend vast sums of money on making effective our anti-submarine warfare capability because success would be contrary to our interests. We should not be seeking to undermine the Russian second strike capacity because of the danger involved that their consequent insecurity could lead to pre-emptive acts destructive to peace.

Therefore, Mr. Speaker, it seems to me that in the maritime field, instead of concentrating our efforts on anti-submarine warfare we should be making our maritime forces into a "super Canadian Coast Guard." I believe this is the role they should play, and it will become one of increasing importance in view of the new developments in the Arctic. It is a role which would fit in well with what the hon. member for Greenwood (Mr. Brewin) described as the maintenance of Canadian sovereignty.

In the new climate of international affairs Canada has a great opportunity to play a useful role through both its foreign and defence policies. Our defence policy should provide us with flexible military capability adequate to maintain our society at home and to participate in peacekeeping operations through the United Nations and, more moderately but still effectively, be sufficient to support our allies in the western alliance in the maintenance of our mutual security interests.

National Security Measures

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to take part in this debate which, I think, is most important since it deals with current events. In fact, the right hon. Prime Minister of Canada (Mr. Trudeau) is now on a visit to the Soviet Union and it seems that discussions are under way regarding NATO, of which Canada is a member, and the Warsaw Pact, of which Russia is the most important member.

Mr. Speaker, the motion before us allows us to question the whole defence system as well as the unity of the countries which take part in the North Atlantic Treaty Organization, not only as regards defence but also political and economic co-operation.

Therefore, I think that it would be advisable to ask ourselves whether it was necessary for us to belong to NATO. A group of countries does not join in such a treaty without motives. And I think that what motivated this decision by democratic countries resulted from the action of a country which is considered as an enemy and wants to have its totalitarian communist ideology applied throughout the world.

It is the success of the communist block which induced several countries, including Canada, to get together in order to defend themselves against the encroachments of the Soviet Union. Mr. Speaker, as World War II brought about the defeat of two big military and industrial powers, Germany and Japan, as well as the weakening of several others, Russia decided to take advantage of the situation to extend its control over Europe.

The Soviet territorial expansion had begun during the war with the annexation of Esthonia, Latvia, Lithuania and certain parts of Finland, Poland, Rumania, North-East Germany and East Czechoslovakia, a total of 500,000 square kilometers of land inhabited by more than 23 million people.

This is why Paul-Henri Spaak was saying in 1948 that only one large country had emerged from the war with conquests, that is the Soviet Union. This territorial expansion was pursued after the defeat of Germany and completed by a control policy over the East European countries.

The presence of victorious Russian armies at the core of Europe and the communist infiltration in the so-called governments of "national front" subjected Albania, Bulgaria, Rumania, East Germany, Poland, Hungary and Czechoslovakia to Russian domination, a total area of some 1,020,000 square kilometers, with over 90 million inhabitants.

How was this conquest achieved without war? From early 1947, the communist party launched a violent campaign in Hungary against the party of small land-holders and denunciations and other methods resulted in a great number of arrests.

The Nagy government resigned on May 29 and while the new elections did not give the communist party majority it did become the party with most members in the House. The government, thus infiltrated, proclaimed the dissolution of opposition parties on November 21, 1947.

In Bulgaria, the operation was conducted in a similar fashion. Nicolas Pethov, head of the agrarian party and a member of the opposition, was accused of having fostered a military coup d'état. He was indicted, condemned on August 16, 1947 and died by hanging on September 23.

The peasant party, accused of fascism, had been dissolved on August 26. On November 22, the administration of the country was reorganized on the Soviet model. On December 11, 1947, Dinvetrov formed a predominantly communist cabinet.

In Rumania, following an election whose results the Anglo-Saxons did not recognize, members of the opposition were accused of having tried to overturn the democratic system. The peasant party was dissolved on October 10, 1947 and its leader, Dr. Manier, was sentenced to life imprisonment on October 29.

• (2:20 p.m.)

Mrs. Anna Pauker, who had prepared herself for the job in Moscow during the war, succeeded Mr. Tataresco, and King Michael had to resign on January 1, 1948.

In Poland, peasant party leader Mikolayezyk, had to resign because of threats to his life. He had to leave his country in November 1947. The communists then took over completely.

In Czechoslovakia the government in Prague which had welcomed the Marshall plan had to change its mind and reconsider its decision after Mr. Gottwald and Mr. Masaryk made an hurried trip to Moscow in July 1947. By intrigues and false accusations they forced Benes to resign in order to set up a communist regime.

Thus, in less than a year, Moscow had managed to bring into subjection the governments of Budapest, Bucharest, Sofia, Warsaw and Prague. The communist party had absolute or almost absolute power in all those capitals where opposition had been swept away. All the Kremlin had to do was to co-ordinate on the international level the action of these governments and to set up a satellite block under Moscow's rule.

Besides, strong pressures were exerted directly and indirectly by the Soviet Union in several other parts of the world, especially in Northern Iran, in Turkey, in Greece, where guerilla warfare which had started in 1944 turned out in 1946 to be a genuine war in which the rebels were getting their reinforcements from bases located in neighbouring communist states, in Asia where the Soviet Union greatly increased its influence in 1945 with the occupation of the greater part of Manchuria and North Korea.

Furthermore, communist agitation was felt in the whole of South-East Asia, in Indochina, in Malaysia, in Burma and in the Philippines where strikes and disorder were stirred up to the point of actual guerilla warfare. Everywhere the local communist parties under orders from Moscow, managed to strengthen Soviet policies by means of well-organized propaganda and steady opposition to any western positions which opposed Soviet

objectives. These local communist parties could well be regarded as the fifth column in this cold war.

On Russia's instigation, the communist countries even created in 1947 the Kominform, a communist replica of the Marshall plan, but for a contrary purpose. By late 1947, agitation and strikes intensified a concerted and virulent form of opposition. There were also persistent efforts to infiltrate all branches of activity in western countries, particularly trade unions in France and Italy.

Was this not sufficient to incite countries which did not want communist rule to seek a means of curbing this hunger for domination and subversion? This is why the North Atlantic Treaty Organization was created on April 4, 1949, in Washington.

Originally, NATO was composed of Belgium, Canada, Denmark, the United States, France, Iceland, Italy, Luxembourg, Norway, the Netherlands, Portugal and the United Kingdom. Greece and Turkey joined the alliance in February 1952, whereas West Germany officially became a member on May 9, 1955.

In 1963, the alliance covered an area of 1,112,633 square miles in Europe and over 7 million square miles in North America, for a total of 8,579,659 square miles with a population of 493 million people.

The North Atlantic Treaty Organization is not only a military alliance to prevent or repel aggression, but also the establishement of permanent co-operation in the political, economic and social fields.

The signatory countries were therefore committing themselves, pursuant to the United Nations Charter, to maintain international peace and security and develop stability and welfare in the North Atlantic area.

Article 1 of the United Nations Charter provides indeed that the purposes of the alliance are to maintain peace, develop friendly relations among nations and achieve international co-operation in solving international economic and social problems.

The 1949 alliance made it possible for some small European countries which were still in a state of economic and military weakness to get together in the interest of common defence with the help of the United States and Canada. Without these two partners, NATO would not have been born or would have been left helpless, especially on the economic side. Indeed, the United States made quite a contribution with their shipments of materiel and by setting up a procurement system for the various European countries, thus giving assistance to the industrial development of western Europe. NATO's efforts were mainly aimed at establishing a deterrent to make it clear to its possible enemies that an attack against any member of the alliance would turn out to be a losing proposition. This policy has proved successful so far and the U.S.S.R. has been retained within its boundaries.

I think NATO should be maintained. In Europe, there is no question about it since political stability is still a long way from having been achieved.

Hon. members will no doubt remember the 1968 events when Czechoslovakia, a Warsaw Pact member state, expressed its wish to withdraw and to democratize its institution, to "desocialize" so to speak; Russia did not hesitate to restore order in the country and bring the lost sheep back to the herd.

We must now ask ourselves whether the reasons which urged us to set the NATO alliance back in 1949 are still valid today, whether the threat of aggression or extended domination of the world by the U.S.S.R. has ceased to exist and whether we can now consider the possibility of reducing or even withdrawing our involvement in the NATO forces. In my mind, the threat is still very real and we must be careful in our behaviour within NATO. We knew what we were doing and we had very specific reasons when we joined the alliance. I suggest that no decrease in our armed forces and no drastic changes should take place without previous consultations with the other NATO members.

We should also closely watch the implementation of the Warsaw Pact, particularly the actions of its main proponents. Witnessing the Russians' armament development, both marine and nuclear, is enough to make us wonder about their objectives. No country would arm itself as Russia does presently without a precise purpose. Armament is as costly in Russia as in the United States, in Canada or in any European country. For instance, in 1968-1969 Russian nuclear armament was inferior to American weaponry and we know now that by mid-70 Russia had not only caught up with the United States in the nuclear armament race but had actually overtaken them.

We know about the growing atomic submarine force of Russia. I will repeat what Camilien Houde said when he was Montreal's mayor at the beginning of the 1939-45 war: "Armament is not made for Christmas trees". Russians are not getting armed for decorating purposes: they have a precise objective.

Because of this, we should be careful about our decisions regarding NATO and Canada, as a member country, should respect its commitments, even if certain changes should be made in several areas.

A French general was saying to us when the Committee on External Affairs and National Defence visited France that in days of yore, when peple used to fight with spears and swords, the only thing that could not be done with such weapons was to sit on them. Now the only thing one can do with nuclear arms is to sit on them.

According to a news report, the nuclear stock accumulated by the two camps facing each other in this cold war is equal to 15 tons of TNT for each and every human being, quite enough to destroy the whole world.

Mr. Speaker, I think we should try to find out the position we should take in such circumstances. I believe we should try to convince politicians from all countries, especially those of the great camps facing each other, to come to a peaceful agreement. Not so long ago, there were two great camps: one directed by the United States and the other by Russia. And now, communist China is also playing an important part among the military powers. The ideal would be to be able to convince the

leaders of those countries to give less attention to the development of destructive weapons and put their minds more to the means enabling all the people under their rule to live and reach their full development.

It is said that two thirds of the people suffer from hunger and lack the bare necessities of life. Instead of spending so much money, taxing people and putting them to work to manufacture nuclear armaments, we should increase grants for the development of natural resources to be put at the disposal of all those claiming a right to live.

In conclusion, I shall recall comments that were published in a bulletin that Catholics find a church every Sunday. In fact, the "Sunday Missal" in 1968 reported as follows:

"We do spend $6 billion each year for development projects, and this reluctantly. We earmark $150 billion per year for weapons and we find that normal", said Barbara Ward concerning thhe 1967 budget. Since then, such expenses have increased.

Such spiralling figures are astounding. Let us simplify them: They mean that we spend 25 times as much for armaments as for development. On this planet, we make in a single day $411 million worth of weaponry.

And this happens every day.

While in Bombay in 1964 as well as in his Encyclical on the Development of Humanity, Paul VI denounced this "unbearable scandal" and requested the establishment of a world fund that would be supported by part of the military expenses. But the race continued.

Mr. Speaker, much more attention should be given to development. We should promote the rewarding aspects of life instead of the development of means of destruction. As long as men do not decide to amend their ways, to reduce armament designed to achieve destruction or prevent aggression, we must be on our guard.

• (2:30 p.m.)

[*English*]

Hon. D. S. Harkness (Calgary Centre): Mr. Speaker, this is the first occasion in over one year that defence matters have been discussed in the House of Commons itself. This debate is particularly appropriate in view of developments of the last few days and headlines which have appeared in today's newspapers.

The hon. member for York-Simcoe (Mr. Roberts) complained that the lead-off speaker for our party, the hon. member for Dartmouth-Halifax East (Mr. Forrestall) had not produced a white paper for the guidance of the government. I think it is expecting rather much of an hon. member to do that in half an hour when that task has taken the government upwards of two years. The government has not succeeded in bringing that white paper forward yet. I will not outline again, as I have done several times in past years, my own views with regard to what Canada's general policy might be in this field. In the few minutes at my disposal I intend, rather, to deal with two or three specific matters, which are about all that time will allow. First, I should like to say that the present trip of the Prime Minister (Mr. Trudeau) to Russia, the statements he has made there and the protocol on consultations which was signed two days ago in Moscow are all of great significance in the discussion of Canadian defence policy. The preamble to that agreement, as it appears in the appendix to yesterday's *Hansard,* is in terms to which no one can take objection. Matters such as promoting the preservation of peace, endeavouring to improve relations in the fields of economy, trade, science, technology, culture and northern development and protecting the environment of the Arctic and the subArctic areas are matters to which no exception can be taken. I think everyone will agree with that. However, when you come to the actual terms of the protocol itself, important questions arise. One wonders what will be the effect of some of the conditions laid down. I refer in particular to condition No. 3 which reads:

The provisions set forth in paragraphs 1 and 2 above do not affect obligations previously assumed by the parties in respect of third states and are not directed against any of them.

One wonders whether that paragraph refers to actions which may be directed against NATO. It may be that it refers to actions on the part of Russia directed against China. I do not know. It is difficult to tell what the meaning of that is. I think we need an explanation of that paragraph.

Generally, however, I would say this: This cosying up to Russia at the present time, when one considers the implications that that may have so far as defence arrangements and the national security of Canada are concerned, could have very far reaching effects indeed. High sounding declarations such as are contained in the preamble to the protocol on consultations are all very well and sound good, I suppose, to almost everybody. However, in my view the basic facts of the world situation must be the ones that we must primarily keep in our minds. The question immediately arises, what are those basic world considerations, particularly as far as our defence and security are concerned.

I submit, Mr. Speaker, that the first and most important of these considerations is that the only real threat to Canadian security or to the security of all countries of the western world at present comes from the Soviet Union. That is the only real threat to our independence, security and so forth. China may be a threat in future; she is not too much of a threat at present. Since the nuclear capability and very large armed forces of the Soviet Union constitute the only real threat to the security of the western world, the inescapable conclusion is that the NATO alliance of the western world, which has been the chief deterrent to aggressive actions on the part of the Soviet Union towards western countries, must be maintained in a state of strength. Any actions which are taken—and this may be one of them—which will weaken that alliance I think are directly contrary to the interests of this country and the interests of the western world as a whole.

Some hon. Members: Hear, hear!

Mr. Harkness: I see no indication whatever that the intentions of the Soviet Union have changed. Their

announced intentions have been to spread communism throughout the world. Their actions since the second world war have demonstrated their determination to do this, and they have the military capability for doing it as far as eastern Europe is concerned. The hon. member for Abitibi (Mr. Laprise) outlined some of the aggressive activities of the Soviet Union since the end of the second world war. The moves in Hungary and Czechoslovakia and the general tight control exercised over all the countries of eastern Europe are some of the examples he mentioned.

• (2:40 p.m.)

In addition, there is the failure of the Soviet Union to grant any measure of independence to the countries of Latvia, Lithuania, Estonia and the Ukraine. In recent years, there has been a supply of weapons, military and expert personnel in large measure to Egypt and the Arab countries. There has been expanding naval strength in the Mediterranean, the Arabian Sea and into the Indian Ocean. These are not activities which indicate peaceful intentions or the desire, as is frequently expressed, for detente and a movement toward more peaceful relations in the world. These are indications that the Soviet Union is still determined to expand its power and influence.

These are the facts which we must bear in mind. We must not lull ourselves into a state of euphoria over such things as the announcement of the president of the United States yesterday that the Soviet Union and the United States are going to discuss limiting the construction of ABM systems. I think nearly everybody applauds that intention and hopes it will be successful. However, we must bear in mind that disarmament talks have been going on for the past 15 to 20 years, and the actual results have been rather limited. In fact, the only real result which I can think of is discontinuing above ground nuclear testing. In spite of the disarmament talks that have been taking place over this long period of time, the nuclear strength of the two opposing sides has continued to increase. There has been no decrease in the conventional forces of the Warsaw pact countries of which I am aware.

In view of these facts, I find it very disturbing to read the following headlines in today's *Globe and Mail*:

PM feels protocol with Russia will aid Canada's independence.

The headline in today's *Gazette* reads:

'Because of overpowering presence of the U.S.'

PM vows solid Soviet links

Must diversify relations to save Canadian culture

The article reads:

Prime Minister Trudeau yesterday made clear the full extent to which he plans to change the direction of Canadian foreign policy and said Canada has much to learn from the Soviet Union.

He placed the new entente between Canada and the U.S.S.R. in the context of Canada's quest for independence from the United States,—

When you read these things, you begin to wonder who the Prime Minister thinks our friends are and who are our enemies. If things continue this way, we will have to get a new program to find out where we stand or what is the situation. Who thinks that closer contact with the Soviet Union is going to save and improve Canadian culture? That country is extending its armed might into the Middle East at the present time. It is keeping the Middle East conflict alive and holding down the population of eastern Europe. Is that the kind of culture we want to absorb into this country? It is ridiculous to see headlines along the lines of "Canada has much to learn". What do we have to learn from Russia in relation to the things I have just mentioned? As a matter of fact, I think the Russians have a great deal to learn from us from the point of view of man's humanity to man, civil rights and things like that. We have very little to learn from them, particularly from those points of view.

Believing that the greatest threat to Canada comes from the United States and that we can counteract that with closer links with Russia is completely contrary to the facts of life. The United States' nuclear strategic deterrent is our greatest protection against Russian aggressiveness and will undoubtedly continue to be so. It is certainly in our interest to maintain the best of relations with the United States and not make statements which tend to make the people of the United States think that we believe they are our enemies. Surely, we must know that they are not our enemies. They are our closest neighbour and greatest friend. We are not only dependent on them to a large extent for our defence, but, to a large extent, economically.

It may be that many people think that there has been such an influence on Canadian thinking and culture generally by United States publications, television, radio and so forth and because there has been a considerable amount of investment of American funds in Canada. However, that investment of American funds in Canada is, to quite an extent, the reason we have the standard of living which we have at the present time, as well as the amount of development which has actually taken place in Canada. To confuse the issue by giving the general impression abroad that the greatest threat to Canada is from the United States is the opposite of the truth. In my opinion, it is the height of nonsense. So much for those particular matters.

There is one other matter I should like to mention. Yesterday, questions were asked in the House as to whether the statements by the Prime Minister and the protocol mean a further withdrawal from NATO by Canada. The Acting Prime Minister (Mr. Sharp) said it did not. I certainly hope that proves to be the case. Headlines along these lines only give rise to serious fears that that will be the situation and, I am sure, have disturbed all of our allies in NATO.

I might point out, to speak more directly to the terms of the motion, that our unilateral reduction in our forces in NATO has already had quite a serious effect along these lines. Some of our allies in NATO wonder how sincere we are and to what extent we are going to play a meaningful part in that alliance. Although the actual number of men in the Canadian forces was cut to about

half of what it was before, the actual reduction in the contribution we were making to NATO was cut down much closer to 1/10th or 1/20th of what it had been. We had a heavy brigade. It was equipped with an Honest John battery and a tank regiment. Its fire power, effectiveness and so on was much greater than twice the capability of the new lightly armed combat group which we are supposed to have there. At the same time, the air division which we had in a strike-reconnaissance role had a very considerable fire power. It had a considerable deterrent effect and a considerable potential in the event of hostilities actually breaking out. I suppose we shall have two squadrons of reconnaissance planes. The minister says three. But if there are three they will be small squadrons, considerably smaller than those we had been maintaining in the air division. No fighting power, merely reconnaissance planes to take pictures and so on. Instead of being cut down to half, those squadrons have been cut down to a tenth or a twentieth of what they were in terms of effectiveness. This is what disturbs our allies. It leaves us very far from playing the part we should be playing in NATO at the present time. I certainly hope there will be no further reductions. This whole business of the agreement with the Russians and so on causes one to believe that what Russia is doing is using this as a means of weakening NATO, which has always been one of her long term objectives. It is a question we cannot help asking.

• (2:50 p.m.)

To turn to another matter, the hon. member for Greenwood (Mr. Brewin) urged the minister to agree to our servicemen being allowed to join some form of union. I hope very strongly that the minister and the government will give no consideration whatever to that idea. On the basis of a fair amount of military experience, both in peace and in war, I cannot conceive of anything which would be more likely to lead to a breakdown in discipline and to difficulties of all kinds than for military forces to be unionized and become part of the Public Service Alliance of Canada. I certainly hope the government will pay no attention to these pleas from Mr. Edwards, I think it is, and others who support his ideas along that line. The maintenance of good discipline and morale is the basis of effective action on the part of any military unit. These qualities are difficult enough to maintain in peacetime as it is, and the introduction of an element such as was proposed by the hon. member would make it even harder to sustain discipline, keep up morale and maintain effective units. I see, Mr. Speaker, that you are rising to your feet.

Hon. Donald S. Macdonald (Minister of National Defence): First, I should like to express my appreciation to the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and to the hon. member for Greenwood (Mr. Brewin) on behalf of the Canadian Armed Forces for their kind remarks complimentary to the forces on their excellent work during the period October, November and December last.

Some hon. Members: Hear, hear!

[Mr. Harkness.]

Mr. Macdonald (Rosedale): May I also, on a personal note, express appreciation to those hon. members and to the hon. member for Malpeque (Mr. MacLean), as well as to the representative of the Creditiste party for the amicable relationship which we have enjoyed since I assumed this portfolio? I think this establishes that it is possible to express effective and searching opposition on these questions without any personal animus. I certainly appreciate the spirit with which we have been able to conduct this relationship between each other. May I also express my appreciation to the hon. member for Dartmouth-Halifax East for having provided an occasion, the first since I have been Minister of National Defence, upon which to talk about defence matters on the floor of the House.

In the course of his remarks, the hon. member enumerated the problems which he foresaw on the defence scene and suggested these should be dealt with in the white paper. I am obliged to him for doing so. We agree to a substantial extent as to what the problems are, even if we do not agree as to what the solutions may be. I hope to be able to answer his questions more effectively when the white paper is made public. The white paper is now before the cabinet. From my standpoint it would have been easier, I suppose,—I hope it would have been easier—if it had been possible to make the white paper public in time for this debate, but such is the volume of business before my colleagues that I regret it has not been possible to finalize consideration of that document. I hope it will be done shortly.

May I take the occasion to comment on the study of military questions in the House? During the first three sessions of this Parliament, with regard to questions on national defence and related matters of foreign policy, I believe the opportunities which members have had for studying these matters and for seeking information and advice on them, and for arriving at appropriate conclusions, have been unexampled. It is perfectly obvious from the value of the reports which the committee has delivered, for example the extremely valuable one on peacekeeping, the report on Maritime Command and those on NATO and NORAD, that this work has been of great assistance to me in the discharge of my functions as Minister of National Defence, particularly in helping to crystalize some of the defence policy issues which are outstanding for decision at this time. I think it is only fair to take the occasion to compliment the members of the Parliamentary Centre for Foreign Affairs and Foreign Trade, Mr. Dobell, Mrs. Seaborn, Mr. Payne and their colleagues, who for the last several years have been of such assistance in bringing before the committee informed persons from this country and other parts of the world to discuss questions of defence policy.

In the course of today's debate a number of hon. members have made observations on defence policy and asked questions to which it is reasonable to expect some response. As to the general tenor and presentation of the speech made by the hon. member for Dartmouth-Halifax East, I really cannot improve on the comments which were made by my hon. friend from York-Simcoe (Mr. Roberts) who dealt in an effective manner with what the

hon. member had to say. I would suggest, though, that there is a further serious defect in the hon. member's remarks, that is, his failure to come to terms with the serious financial questions which are involved in the political exercise of balancing defence expenditure against expenditure on other aspects of the economy.

Mr. Forrestall: That is your problem.

Mr. Macdonald (Rosedale): He advocates the spending of millions of dollars more on the enhancement of Maritime Command. But he gave no reason for doing so. One suspects they might not be unrelated to the fact that a great many of his electors are associated with that command. It might have been good politics but there was a total absence of policy in what he had to say. He suggested that millions of dollars ought to be spent in a number of defence areas but he failed completely to come to grips with the serious question which arises at the political level—how much of a national budget should be allocated to defence and how much to other needs. Indeed, I was left wondering whether he was advocating a tax increase, a reduction in other programs unspecified, or some other solution. Where is the money to come from which would be needed to carry out the virtual doubling of defence spending which he suggests?

The hon. member referred to a defence budget of nearly $2 billion as representing an insignificant amount. Well, it impresses me as being a very substantial sum to have to provide. I really cannot agree with the approach he has taken here. I am sure we would have been interested to have heard from the hon. member about the priorities in respect of which substantial additional sums ought to be expended, and the way in which they would be provided.

Mr. Forrestall: We want to know what you have to say.

Mr. Macdonald (Rosedale): The hon. member says he and his friends want to know what I have to say. Our priorities were set out in the statement of April 3, 1969. Again I would remind the hon. member that the first priority in terms of Canada's defence forces is to provide for the protection of Canadian sovereignty and the maintenance of Canada's internal security. In effect, these are the priorities that were set out by the hon. member for Greenwood in his speech.

• (3:00 p.m.)

At some stage there seemed to be a lingering opinion, even among official opposition members, that somehow this should not be the first priority of Canadian defence policy. We are talking about protecting our own territory, maintaining surveillance and control over our own territory, maintaining our internal security and doing these things ourselves. If we do not do these things ourselves, we cannot ask anybody else to do them for us. Therefore, this must be our first priority and any state should plan its defence policy on that basis.

I found the statement of the hon. member for Greenwood helpful in the sense that he set out to state priorities. I found myself in total agreement with his first two, as I have said—namely, the preservation of internal order and the defence of Canadian sovereignty. I also found myself in substantial agreement with his general statement of a third priority, contribution to international order, though I would disagree in regard to some aspects. In his remarks I think he disagreed with the notion that Canada can still play a role in protecting the deterrent so that a stable nuclear balance results. Obviously we disagree with his opinion in this regard, though we agree with the essential proposition that he put forward, namely, that the best way of ensuring the defence of Canada ultimately is by making an effective contribution to international order.

The hon. member for Calgary Centre (Mr. Harkness) who preceded me gave us a first-class flashback to vintage 1950 "cold war" days. The thrust of his speech was: Who thinks that the west has anything to gain from opening negotiations with the U.S.S.R.? Well, Richard Nixon thinks so. Willi Brandt thinks so. The NATO alliance thinks so. But apparently the hon. member for Calgary Centre does not think so, and presumably he was speaking for his party in this regard. I would remind the hon. gentleman, and his colleagues, of the statement made by Sir Winston Churchill, that in the question of international security it is far better to jaw, jaw, jaw, than to have war, war, war.

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

Mr. Deputy Speaker: Order, please. The hon. member for Calgary Centre (Mr. Harkness) is rising on a point of order.

Mr. Harkness: Mr. Speaker, I object very much to the attempt of the Minister of National Defence (Mr. Macdonald) to put into my mouth words that were not there. To start with, I said that trying to work toward peace, to increase trade and the other matters contained in the preamble of this protocol, everybody could agree with and that I agreed with them.

Mr. Macdonald (Rosedale): Mr. Speaker, the hon. gentleman can interpret his speech any way he wants, but the fact of the matter is—

Mr. Harkness: *Hansard* has the report of my speech.

Mr. Macdonald (Rosedale): *Hansard* may well have it—but in fact he was deprecating the opening of negotiations, whether bilateral or otherwise, with the Soviet Union. I think *Hansard* will establish that whatever he may say now, that is what he said at the time. The hon. member asked: Who thinks that the west has anything to gain from these negotiations? I put it to him again, Richard Nixon thinks so. Flashing back to the hon. member's vintage speech of the 1950s, it will be recalled that Richard Nixon at that time was not exactly a flaming left winger. During the period of time that these negotiations have been carried on, the United States has pressed forward with the strategic arms limitation talks. However, the hon. gentleman seemed to deprecate progress there, though I think we all stand to gain from those talks.

Mr. Harkness: I said I hoped we would gain from them.

Mr. Macdonald (Rosedale): Then he deprecated progress at the disarmament meetings and asked what they had established. We have established the treaty banning atmospheric testing. I would also remind him of the treaty prohibiting the use of the seabed for military purposes, as well as the treaty against the use of nuclear weapons in outer space. Then there is the forthcoming treaty, we hope, regarding bacteriological warfare. I agree that progress in the disarmament meetings has not been as great as we would have liked, but I think the hon. member does a disservice to the progress already made in deprecating it in the way he did.

I would also refer to the initiatives taken by President Nixon bilaterally with the Soviet Union, not only in regard to SALT but with regard to the Middle East, as well as the negotiations being conducted by the three occupying powers in Berlin and the Soviet Union.

I should also like to say something about Willi Brandt, who after all is not notoriously pro-communist either. If the hon. member will recall the vintage years from which he springs, Willi Brandt was the leading spokesman for Berlin at the time of the Berlin blockade. Willi Brandt and his Ostpolitik recognized that if there is to be a solution to the question of security in Europe, negotiations have to be opened bilaterally with the east.

Mr. Lambert (Edmonton West): And he is in real trouble with it.

Mr. Macdonald (Rosedale): The hon. member says he is in real trouble. I suppose that if I were asked to form a judgment as to who knows better the affairs of West Germany, the hon. member for Edmonton West (Mr. Lambert) or Willi Brandt, the answer would be obvious. Let me also remind the hon. member for Calgary Centre that the parties to NATO have decided on mutual and balanced force reductions as a desirable step, and that it should be an initiative taken by the alliance. The NATO countries have been in close co-operation in the development of a plan to bring about a European security conference. Virtually everyone on the international scene is in favour of negotiations with the Soviet Union to try to lower the temperature of international crises, with the possible exception of the official opposition in this Parliament.

Mr. Harkness: I myself said nothing to the contrary. Forget the red herrings and come to the thrust of my argument.

Mr. Macdonald (Rosedale): Mr. Speaker, I am always concerned that I might be dull, but I am at least glad to have attracted the attention of the hon. member.

There are a few further points I should like to make about the motion itself. I refer to the second paragraph of this rather rambling grab-bag of criticisms expressed in the somewhat ungrammatical terms of the motion. The hon. member refers to the north and aid to the civil power and argues that the role of the armed forces requires clarification, and that they are ineffective. I would suggest to him that having been in the north with me last weekend, and he having had the advantage that I have not yet had of taking a northern surveillance flight, the hon. member for Dartmouth-Halifax East should know better than to make that particular reference. Let me remind him of the great change during the last several years in government policy in regard to the involvement of the armed forces in Canada's north.

Mr. Forrestall: Do you consider 59 people in the north to be our commitment there?

Mr. Macdonald (Rosedale): The hon. member knows better than that. He was in the north during an operation under the control of those 59 people and he knows that the full resources of the Canadian armed forces are available at the direction of northern headquarters as and when they are needed in the north.

Mr. Forrestall: Why don't you give us the real facts?

Mr. Macdonald (Rosedale): The hon. member made his speech this morning, and although he may feel it was not a good one he should at least let me make mine. He and I have just returned from the opening of the northern region headquarters which will be the co-ordination centre for Canadian armed forces who go to the north. These activities have been much intensified over the last several years. For example, there are Arctic surveillance flights on a regular basis now from Canadian Forces Base Comox and from Greenwood to provide for continuous aerial surveillance of the Arctic.

There has also been intensified training in the north, both summer and winter, for mobile command land forces in the New Viking exercises, so that in course of time all Canadian land forces and combat troops will have experience of exercises of this kind in the north.

• (3:10 p.m.)

There has been an involvement of the Corps of Engineers from Chilliwack in the construction of the Ogilvie River bridge on the Dempster highway. So we have been giving some attention and interest to other proposals put forward to us to have further use made of talents, particularly of the engineers, in connection with work in the north. There is the suggestion, for example, of Mayor Paul Kaeser of Fort Smith that DND assistance might be forthcoming in the construction of a highway program through Wood Buffalo National Park, to which we have been giving some study. There has been the construction of six new airstrips in conjunction with the Department of Indian Affairs and Northern Development. I think one of my colleagues will be commenting on that in due course.

Last year the Maritime Command held the first anti-submarine exercise in far northern waters since 1961. That squadron operated into Hudson Bay. The operation will be repeated this year both as a training exercise and, with the fleet support ship involved, to re-supply ports and civil installations along the west coast of Hudson Bay. CF-5 aircraft have been operating in the north in connection with trials at Frobisher Bay and land forces operations there. In other words, the northern region

headquarters is a headquarters control centre which has assigned to it the responsibility of tasking a large number of units and personnel from other commands of the Canadian armed forces in the north for the purpose of carrying out operations there and creating an effective Canadian presence, particularly in the northernmost part.

With regard to the suggestion that the forces have been downgraded and have become less effective, this is an echo of the remarks I recall being made in this House at the time of the armed forces unification debate. They are remarks which have emanated particularly from the official opposition and from certain spokesmen outside the House in recent years.

I suppose the best answer to the arguments that the forces are less effective and incapable of carrying forward their tasks are the words of congratulation which the hon. member for Dartmouth-Halifax East (Mr. Forestall) used when speaking of the forces' performance last fall. Perhaps the best answer to all these criticisms that the forces are no longer effective or capable of doing their job is the fact that they are not only capable of doing it, but have done it very effectively before the eyes of 22 million Canadians. They have done so not only in the past year at home, but also abroad.

Let me point out as an example the involvement of the officers and men of Air Transport Command during the Peruvian operation in which Canadian Caribou and Buffalo aircraft were the only aircraft capable of operating under these difficult conditions. They won the respect and regard of all governments involved, particularly the Peruvian government which decorated the officers. I might mention the similarly effective and quick support given by Air Transport Command in assisting flood victims of East Pakistan. This is a very effective force and one that is extremely capable, upon short notice, to turn its hand to any one of many tasks planned for it and for which it has been trained.

An hon. Member: What if they had to do two things at the same time?

Mr. Macdonald (Rosedale): Let me point out to the hon. member that they have been doing two things at the same time. As a matter of fact, they have been doing many things at the same time. Let me point out, with regard to the land forces role in Canada and elsewhere, that the troops were involved in the events in Quebec, which the hon. member may not have noticed but which was noticed by everybody else in the country, while at the same time they were involved in a peacekeeping operation in Cyprus and in the NATO role in Europe. In other words, they were not only doing two things at the same time, but three—and doing them very well in each case.

Some hon. Members: Hear, hear!

Mr. Macdonald (Rosedale): I suppose hon. members think they are helping their case by deprecating their forces, but I think the actions of the forces speak much more vividly than hon. members' words.

Mr. Marshall: Would the minister permit a question?

Mr. Deputy Speaker: Is the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) rising on a point of order?

Mr. Marshall: I think the minister should be a little more statesmanlike. Perhaps he should join the forces and learn something about—

Mr. Deputy Speaker: Order, please. That is not a point of order.

Mr. Macdonald (Rosedale): Mr. Speaker, if the hon. member wants to get into a parliamentary debate, he should be tough enough to accept the give and take of it. I would point out that the hon. members has questioned the effectiveness of the forces, not only in respect of their training but also of their equipment. Perhaps I should remind him again of the evolution of the forces.

An hon. Member: Not training equipment.

Mr. Macdonald (Rosedale): I will speak in terms of the equipment and point out, for example, with regard to Maritime Command, an area in respect of which he knows something, we have four new destroyers in the service and three new operational support ships. He has suggested that we need a submarine. Let me remind him that we have four now. He said we needed a submersible, and I remind him that we have one. Our equipment is very well suited for the roles we have to play. One interesting thing in connection with anti-submarine operations and the development of helicopter destroyers—Canada is taking a lead among NATO countries in this regard. As he knows, the devices which have been developed by Maritime Command for the purpose of operating helicopters from ships at sea are really among the most interesting aspects of our forces to other navies. The United States navy in particular is following closely this Canadian lead in establishing helicopter destroyers as a principal anti-submarine weapon.

I think it is fair, in regard to land forces, to point out how infinitely better off we are than we were, for example, in 1963. The infantry battalions in 1963 were mounted exclusively in wheeled vehicles with very limited cross-country mobility. We had no amphibious capability and we were without any night-time fighting aids whatsoever. Today, battalions have one company mounted in amphibious armoured personnel carriers which are equipped with infrared night driving and fighting aids. There are also night surveillance services in all battalions. Equipment and personnel weapons have improved as well. So the hon. member is not quite as current on Canadian armament and mechanism as he should be.

I have already referred to the very considerable achievements of the Canadian armed forces in the air. Let me compare the situation of 1960 with 10 years later. At that time, as the hon. member for Calgary Centre will recall, we had no operational close-support aircraft. We only had 25 light, two-man observation helicopters, no appropriate practical airlift and a strategic lift of 12 Yukons, 23 flying boxcars and four Hercules. Today we

have two squadrons of CF-5 tactical fighter bombers and we have taken delivery of the first of 50 utility, 14-passenger helicopters. We have 16 large 28-passenger helicopters and we are getting 74 new observation helicopters. We have 15 Buffalo aircraft and 23 Hercules as well as five 707 jet transports.

The hon. member, in saying that the forces are less effective and not equipped to carry out their role, is not being at all factual. Our forces are very well equipped. It is precisely because of the advanced and carefully planned nature of this equipment that we have been able in the last several years to perform so superlatively the tasks we have undertaken.

Mr. Nowlan: Were the F-5 and the *Bonaventure* planned operations?

Mr. Macdonald (Rosedale): I would agree with the hon. member in respect of the *Bonaventure*, but he and his colleagues think we should still retain an aircraft carrier in service.

Mr. Nowlan: Were they planned?

Mr. Macdonald (Rosedale): It was a bad plan. The difference is, we have learned from that bad plan and the hon. member apparently has not. Whether you are talking about the United States or the United Kingdom, the fact of the matter is that it is recognized that the day of the aircraft carrier has passed. This is recognized by other states, but apparently not by the hon. gentleman and his colleagues.

Mr. Nowlan: Was the F-5 well planned, or is that another white elephant?

Mr. Macdonald (Rosedale): Let me point out to the hon. member that he is not correct. In other states, for example in the Netherlands, which have bought the F-5 aircraft, the NF-5, which is constructed in this country, it has been decided that this close-tactical aircraft is eminently suited for the task for which it was acquired.

• (3:20 p.m.)

In summary, I appreciate the opportunity to set out in a general way the response to some of the points which have been made in this debate. What the hon. member pointed out is hardly significant at this time unless the hon. member who moved the motion is prepared to crystallize some of the issues in the debate, which he did not. I hope to be able to deal with some of the issues again when we bring forth the white paper.

Mr. Brewin: Before the minister resumes his seat, would he be willing to answer a question?

Mr. Macdonald (Rosedale): Yes, go ahead.

Mr. Brewin: Is there intention to raise in the white paper the subject which I raised that of the continuance of Canada in NORAD and the possibility of saving up to $200 million a year if we are able to get out of what we think is an obsolete commitment?

[Mr. Macdonald (Rosedale).]

Mr. Macdonald (Rosedale): The white paper does intend to deal with that matter. However, I think I have to correct the figures mentioned by the hon. member. As I recall, the expenditure for Air Defence Command is somewhere in the nature of $105 million. I acknowledge that this is a lot of money and I do not regard it as insignificant, as does, apparently, the hon. member for Dartmouth-Halifax East. We intend to deal with that question. How we will deal with it, I cannot say to the hon. member, but this is really one of the central questions in Canadian defence policy to which we will have to address ourselves at this time.

I would like to thank the House again for the opportunity to exchange views on some of these points. I will follow with interest comments which other hon. members make so that we may perhaps be able to continue this debate at a future time when we have before us the forthcoming statement on defence policy.

Mr. Forrestall: Mr. Speaker—

Mr. Deputy Speaker: Order, please. May I point out that the minister has one minute left of the time permitted him. If the hon. member's question goes beyond that time the consent of the House will have to be obtained.

Mr. Forrestall: I am sure we will give consent to the minister if he will answer this question. Would he indicate to us briefly, since most of us anticipated that he would, when we might expect the white paper? While I am on my feet may I remind him that I never said the amount was insignificant. I said that it reflected the insignificant thought and attention paid to it by the government.

Mr. Macdonald (Rosedale): May I say, on the latter point, that I noted very carefully what the hon. gentleman said. We will see what appears in *Hansard*. With regard to the timing of the white paper, as I indicated it is now before cabinet. I hope that before the House rises for the summer it will be available, but of course it depends on the dispatch of other business, in particular the preparation for the constitutional conference and the taxation bill. But I hope we might have it available prior to the summer recess.

Mr. Nowlan: May I ask the minister a question?

Mr. Deputy Speaker: Order, please. I will recognize the hon. member but first of all, as I have indicated, may I point out that the minister's time has just expired. Is there consent of the House to allow the minister extended time for the purpose of receiving a question?

Some hon. Members: Agreed.

Mr. Nowlan: I thank members of the House. My question is on the point which I tried to raise during the minister's interesting remarks. He said the government had learned from past errors and mistakes, and he admitted that the *Bonaventure* was a mistake. I would ask the minister directly if the present plan for the implementation of the DDH program involving several hundred million dollars—I have heard an estimate of around $280

million as well as some pessimistic estimates of $300 million or $400 million—is the result of learning from past mistakes, and what does he plan to do if the figures go awry as did those for the *Bonaventure*?

Mr. Macdonald (Rosedale): It is evident that the hon. member does not follow questions very closely, nor was he listening very carefully. The fact is that my remark about *Bonaventure* was that the mistake was in keeping an aircraft carrier in the service. I concede that perhaps this is wisdom after the event. In 1964, when the refit was being considered—and that was the general opinion of the navy—it was considered that an aircraft carrier was an effective weapon. In the fullness of time it became increasingly apparent that aircraft carriers are not effective weapons to keep in service, particularly with the kind of responsibilities that we have.

If we had to do it over again we would probably have retired it from service at the time and concentrated our efforts on the helicopter-destroyer program. The hon. member is not a member of the Committee on External Affairs and National Defence and was not able to participate in the discussion which we had there on the DDH program. I made it perfectly clear to the committee at that time that I was not happy with the cost overrun.

Mr. Nowlan: There is slippage, such as for the *Bonaventure*.

Mr. Macdonald (Rosedale): The hon. member for York-Simcoe (Mr. Roberts) said that he had difficulty in communicating a significant thought to the hon. member for Dartmouth-Halifax East in the limited time available. I think that even with unlimited time one could not communicate anything to the hon. member for Annapolis Valley (Mr. Nowlan).

The fact remains that I have not been happy with the management of that program and I hope we can have an examination of the manner in which it was carried out. However, there does not seem to be any disagreement basically, and I take it that the hon. member for Dartmouth-Halifax East does not disagree that these are good ships and that they will perform well the service for which they were designed.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I support the motion which is now before the House. Indeed, I would go beyond what it states, namely, that the government's defence policy has merely led to a questioning of our credibility by our allies. I have not the least doubt that they have already ceased to question our credibility as a reliable partner in our international alliances because we have made it manifestly clear that our armed service is to be nothing more than a glorified domestic police force with some additional minor responsibilities for defending our coastal territory, particularly our fishing grounds, against foreign invaders, provided that these invaders are from countries not larger in size than Denmark or Norway.

In the Winnipeg *Free Press* of March 8, 1971, there appeared an editorial entitled "Defence—the last priority". I should like to quote at length from that editorial, not only because it appeared in a newspaper which has such a long tradition of supporting the Liberal party but because it states in language which is abundantly clear to anyone just how misguided are this government's defence policies. The editorial reads:

> The contradictions in Canada's foreign and defence policies have become so glaring that it hardly requires an example, such as is contained in the British statement on defence estimates, to illuminate the Ottawa authorities' cavalier attitude toward defence. We still seem desperately bothered about the stupidity of unification and what colour of uniform our officers and non commissioned officers will wear. Fortunately, our planners do not have to bother about soldiers, an insignificant minority in our defence establishment—17,850 privates as against 68,155 officers and non-commissioned officers. In the polychrome slick brochures that are to explain Canada's foreign policies, the government tells us grandly about the need to find a more stable and mutually acceptable balance of power in the Pacific. But we tell the Commonwealth nations in Singapore that Canada really does not care if somebody pulls the plug out of the Indian Ocean.
>
> Where the British government "firmly believes that its intention to restore the armed forces to their rightful place in the life of the nation and to keep defence in the front rank of its priorities will in itself provide a direct encouragement to recruitment", Canada has relegated defence to the bottom of her priorities.
>
> Yet defence is not a pipe dream of some military industrial complex, as is often imputed to those who watch with anxiety the growing power of the Soviet Union. "Western security", says the British document, "remains under the shadow of the present and potential threat of the vast military resources of the Soviet Union. The threat is not restricted to the NATO area"—an area upon which Canada is turning her back. "Backed by its still growing strategic nuclear capability, its large and modern conventional forces and its rapidly expanding navy and merchant marine, the Soviet Union is engaged in enhancing its power and influence across the world".

At a time when the western world, and Canada among the foremost, has been freezing or cutting its defence spending, the Warsaw pact nations have been increasing theirs at the rate of 6 per cent a year over the past five years. The new strategic situation of the nine Soviet divisions stationed in Czechoslovakia since 1968 has not been altered despite the talk about detente. Closer to home, the North Atlantic in April, 1970, witnessed the largest ever concentration of Soviet ships engaged in a major maritime exercise. The Caribbean is also an area of increasing activity for the Soviet navy. The situation in the Mediterranean is particularly alarming.

● (3.30 p.m.)

> Five years ago the maximum number of Soviet naval vessels in the Mediterranean was five surface ships, five submarines and ten auxiliaries. In 1970, on the latest assessment, this has risen to 30 surface ships, ten submarines, and 25 auxiliaries.

Under its government, Canada is going through the process of shrugging off its old and tried friends, particularly Great Britain and other European Common Market members, in favour of social and political alliances with countries with whom in the past we have not shared common interests or with whom we have not had any substantial contact. There is a great deal of concern being expressed at present that the Soviet Union is finding the sympathetic ear of the Prime Minister (Mr. Trudeau) to weaken even further NATO's critical role in the defence of the free world.

Undoubtedly there are people who believe that the phrase "free world" is simply another cliché used by the western military alliance and its supporters, of whom I am one, to play on the emotional sympathies of people to oppose what they like to term American imperialism. Let me merely say to those people that while our western societies are not without their defects, our citizens are free to leave their countries when they wish to do so, unlike Jews in the Soviet Union, the people of the Ukraine, the Estonians, Latvians and Lithuanians.

We do not have any Berlin walls and we have not shot people whose only wish was to leave their country. However unpleasant these harsh realities may be to the soft ears of our diplomats, who seem to wish us to form alliances or enter into understandings with countries whose present governments are among the most repressive in the world, the fact is that the world has not yet reached the state where sheep are safe from wolves.

Does anyone seriously believe that the Communists have fundamentally altered their belief in the necessity for a communist-governed world? It is all very well to speak of the attractions of disarmament, particularly when we all agree that there are great, urgent economic and social problems here in Canada and abroad which require vast additional sums of money, which money in the view of some people should be coming from the funds which are now expended for defence purposes, but I would hope that the lesson given the world in the 1930s would still remain obvious. It is not the weak who preserve peace. On the contrary, given the world situation and the appetites of certain nations, the weak unwittingly invite aggression.

The government has all but destroyed the attractiveness of a military career in the Canadian armed services. This retrograde situation began with the unification of the armed services, the destruction of old and glorious regiments and the declining percentage of our national budget which has been allocated for defence purposes in recent years. Again, Mr. Speaker, I would like to quote from an editorial in the Winnipeg *Free Press* of May 7, 1971, entitled "Disappearing defences":

> We are a wealthy middle power, but we pretend we are in the clan of the underdeveloped nations, another Tanzania on the North American continent. Nobody takes this pretence very seriously, probably not even our government that plays at running—though not very fast—with the third world hares while at the same time hunting, though without much conviction, with the superpower hounds. We have a definite task, and it is sheer folly to abandon it at a time when the western Mediterranean is being turned into a Red Lake, when the eastern Mediterranean is bristling with Soviet air power, a sophisticated array that is aimed at neutralizing the sixth fleet rather than protecting Egypt against Israel, and when the Berlin problem remains far from settled.

In 1951, Canada allocated 27 per cent of its budget to defence expenditures. In 1971, it allocated 14.6 per cent of its budget to the same purpose. Can anyone seriously argue that the world situation has altered so clearly in the interests of long-term peace that such a reduction is justified? Canada, under its present administration, is in the awkward and contradictory position of relying upon the United States for its defence in the event of any major external threat, while at the same time attempting to use every opportunity to criticize American military preparedness, choosing to ignore the fact that our sovereignty over this, the second largest country in the world, is not assured by our own pitiful military might but by that of our ally to the south, whom so many pseudo Liberals in this country wish to use as a whipping-boy for our national deficiencies as well as for most of the world's economic and social problems.

I believe that the government must reverse its erroneous path and make it abundantly clear to everyone, including our closest allies, that we are prepared to resume a befitting role in our military commitments, and that the government is prepared to begin immediately by restructuring and refitting our armed services so that once again Canadians will seek to serve in our military units and our allies will again take seriously our military commitments. With the Soviet Union's increasing maritime power and its intrusion for military purposes into international waters not previously used by it for such purposes, we ought surely to be developing our capacities, particularly our anti-submarine search and surveillance effectiveness.

In conclusion, Mr. Speaker, I also urge that the government expand the armed services so that it would be possible to maintain a significant number of Canadian troops in the far north, both to establish quite clearly our sovereignty in that area and to discourage any question as to that sovereignty, as well as to give our troops lengthy and actual experience in operating under Arctic conditions. I urge those who believe that we can remain both free and militarily unprepared to examine at once, even in recent history, what has happened to countries which have attempted this fallacy.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the motion makes reference to the "role of our armed forces at home—with particular reference to our north." I would like to discuss some of the ways in which the Department of Indian Affairs and Northern Development and the Department of National Defence are working together in our north.

As hon. members know, the Department of National Defence has had a presence in the north for some time, and its experience has been put to use in a number of ways. The special problems of communications in the north are being researched at a $325,000 operations' building located four miles north of Inuvik. I think some of us in the south are very prone to take for granted the communications systems which we have readily available to us, but one has only to spend a limited amount of time in some of the more remote settlements of the north to realize how fundamental and essential proper communications are to their existence.

Other more mundane but vital developments have taken place in clothing and equipment for the Arctic. The Department of Indian Affairs and Northern Development and the Department of National Defence are co-operating to build airstrips in the north. The aim is to promote communication to the various outposts for year-round administration and health services. To allow the landing

of Hercules aircraft, four airstrips are being extended at Chesterfield Inlet, Pond Inlet, Whale Cove and Cape Dorset. Two others are being constructed at Igloolik and Pangnirtung. The construction of these airstrips over the next five years will utilize as much local civilian labour as possible.

This summer, work will begin on a 360-foot steel and concrete bridge across the Ogilvie River in the Yukon Territory. This bridge is being built for the Department of Indian Affairs and Northern Development by the Department of National Defence. In addition to hiring natives on construction sites, the Department of National Defence has been actively recruiting northern people for the armed forces. CFB Borden has offered an aerospace and engineering course. This training program is sponsored by the Department of Indian Affairs and Northern Development. It is designed to meet the demand for civilian pilots in Canada's north and to involve native peoples in the development of the north. The Department of National Defence has special programs for the native youth. Many young men have participated in many youth programs such as the Young Voyageurs, Sea Scouts and cadets. The feeling is that the broadening of their horizons through such activity will be a vital factor in helping the native youth to adapt to changes in their environment.

• (3:40 p.m.)

The Department of National Defence has a special role in Arctic search and rescue operations. As members are well aware, Canadian forces planes are often called upon to aid in rescue operations and to transport emergency hospital cases. Plans are being laid for the Department of National Defence to provide emergency airlift operations for disasters in our north such as the one which occurred recently when there was a gas blow-out on King Christian Island.

Arctic research is a vital area for co-operation in the north. Consideration is being given to having the Department of National Defence help in the aerial surveillance of mineral surveys, seismic activity and on underwater equipment, particularly during its installation. Transportation is often provided for departmental personnel by DND. The Department of National Defence is providing vocational training programs for the native peoples of the north and is doing a great deal to involve them directly in its development.

I know that my colleague the hon. member for the Northwest Territories (Mr. Orange) has some observations to make in this area, and other hon. members opposite. I shall close now, having listed the areas where there is a substantial amount of co-operation between the Department of National Defence and the Department of Indian Affairs and Northern Development.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion proposed by the hon. member for Dartmouth-Halifax East (Mr. Forrestall) and supported by the Conservative party, in essence criticizes the government for reducing our defence capacity by erosion of our NATO commitment and reduction of our armed forces, etc. At the outset I must say that I am very much opposed to this resolution. It is pretty well the opposite of what I would have recommended to the government, and it is the antithesis of what I and many people of my ideological belief stand for.

I am very much dismayed when I listen to speeches made in this debate by members of the Conservative party, and in particular their remarks about the things that have happened in regard to the Prime Minister's visit to the Soviet Union. I think we should all be applauding agreements such as that signed by the Prime Minister (Mr. Trudeau) and the Soviet government. It is the type of contact and communication we need and the type of bridge that should be built.

I am very happy to see the government reduce our commitment to NATO and reduce our forces in Europe. I would like to see them go much further and get out of NATO completely, as I suggested in the Standing Committee on External Affairs and National Defence the other day. As I say, I am dismayed when I hear the views of members to my right whose ideas are neanderthal and reactionary and are not doing anything to make Canada a country which would contribute to world peace and international development.

It is a very good thing that Canada is starting to move on the international scene. It is good that we have recognized that China exists, and that we now have an embassy in Peking. I hope we move as rapidly as possible to make more arrangements between Canada and China. The people in my constituency would be happy if we could increase trade in potash and wheat with countries such as China. This is the type of thing we should be doing instead of following the reactionary and outdated advice of some members of the Conservative party. I feel sorry for the Leader of the Opposition (Mr. Stanfield) when I hear some members of his party speak on this motion. Perhaps that is why the debate is taking place when he is not here.

I realize the position that I am about to take may be unpopular in this House, but I think it is gaining increasing support among the younger people of this country especially and, indeed, among other citizens as well. I come from a generation that was born after the end of the Second World War. We were born into an age of scientific revolution—a revolution that has transplanted hearts, flown men to the moon and provided us with such sophisticated technology that we can now dream of doing almost anything. We have developed weapons that make the bombs of Nagasaki and Hiroshima look like children's toys. That is why I am concerned about some of the priorities the world has, as evidenced by a motion such as this one.

We are the first generation that goes to bed at night with the knowledge that the pressing of a button could destroy the world because of the tremendous stockpile of sophisticated weapons and the delivery systems of the United States and the Soviet Union. This is the type of world we live in, but still we hear calls for a further escalation in defence spending and a polarization of the world community. Motions like this are doing precisely that, instead of going in the opposite direction.

In the United States this week there was a motion by Senator Mansfield, which was defeated, which called for a cutback of U.S. troop commitment in Europe. We see a continuation of the war in Indochina and a continuation of the burden of poverty and starvation in many countries. People of my generation are challenging some of the fundamental and traditional beliefs that this society has practised for so many years. However, we do not seem to get many answers.

We seem to live in a world that is more interested in money and in trying to kill each other than in spending money for peaceful means of developing the world around us. We are now in a new age and need new solutions to old problems, but instead we rely on old solutions. We have a world community which is really a community of anarchy. We live by the balance of terror. If you have a big bomb on one side, you must have a bigger one on the other side as a deterrent. This is the goal and objective that all of us seem to pursue, instead of pursuing the goals of reducing tension and trying to disarm.

We live by the philosophy of the law of the jungle and survival of the fittest. This is the kind of thing we cannot risk in this world of sophisticated weapons. We live by the philosophy: My country, right or wrong. But if everybody lives by that philosophy the result is likely to be devasting.

We must have a new approach, not only in Canada but around the world. When I see a motion like the one before us, I am disappointed, when so many people around the world are trying to reach better understanding. Here we have a Conservative party which is saying, "We should escalate tensions and spend more money on defence, more on NATO and such organizations". I suggest that we should do exactly the opposite, Mr. Speaker. As a middle power nation, Canada should lead the way in trying to make this a better world.

What should be Canada's role? Have our interests changed? I think they have changed considerably in the last 20 years. I think the scene of activity has shifted away from Europe to the undeveloped countries of the third world. We have seen the growing gap between the have and have-not countries of this world, and we have not seen as much emphasis on international development as we should have. Canada should take the lead in many of these areas, as a respected middle power and a nation trusted by many peoples of different ideologies. I do not see things as black and white as do some Tories. I think there is a central ground, and Canada can lead the middle power nations in pursuing goals with countries such as Sweden, Switzerland, Tanzania and Zambia.

• (3:50 p.m.)

I think Canada could make a real contribution if we joined some of these other countries in seeking a third way toward peace and international development. You see more and more of this happening among nations of the third world. I hope that Canada can take the lead in that area, instead of dragging behind. That is why I welcome what the Prime Minister has done in the Soviet Union. That is why I welcome our diplomatic recognition of China. We ought to be doing things like these, but at an even faster rate.

Secondly, I think that Canada should concentrate on strengthening the United Nations as an international body, instead of putting so much effort into NATO, NORAD and other regional military pacts. I know that my colleague, the hon. member for Greenwood (Mr. Brewin), spent several minutes talking about NORAD. I will not repeat what he said. I agree that NORAD is not only obsolete but that it detracts from world security and prevents or deters the possibility of peace. By contributing to NORAD we are building up tensions instead of de-escalating them. We could save all that money and spend it much more constructively, as others have suggested, on the world community if we did not spend it on defence pacts or in supporting regional organizations.

I am one of those—and the group is growing ever larger—who believe that Canada should withdraw from NATO immediately. For many years NATO has been strictly a military alliance which has been dominated by the United States in a way similar to that in which the Warsaw pact has been dominated by the Soviet Union. If Canada is to pursue an independent foreign policy, we must get out of NATO; otherwise we shall not be able to develop the position that we ought to enjoy in the world community.

On looking at some of the objectives of the NATO alliance, I think it is rather ironic to see that one of its basic objectives is the strengthening and safeguarding of democracy by embracing such authoritarian régimes. alliance there are countries like Greece and Portugal which are autocratic and authoritarian, which are not democratic and which do not have elected parliaments. If that is what NATO is all about, I do not want any part of it for Canada. You cannot save, preserve or develop democracy by embracing such authoritarian régimes. Those countries are in NATO, and that is another reason why we can make a more effective contribution to world peace and development by getting out of this regional organization.

Thirdly, I think that NATO today only increases world tensions. It only polarizes the world community. If Canada were to withdraw from that organization, we could contribute to a de-escalation of tensions both in NATO countries and in Warsaw pact countries. I think that Canada should take the lead here. I am happy that we have de-escalated our role in NATO. We should go all the way and get out altogether. That is one of the greatest contributions we could make to world peace and development.

Mr. Aiken: Surely the hon. member does not believe that.

Mr. Nystrom: I believe that, although I am not surprised that the hon. member of the Conservative party does not. His party is so out of touch with the realities of the world around us that it has put on the order paper a motion such as the one we are discussing.

Mr. Crouse: The hon. member would not now be making his speech if it were not for the protection given to Canada by NATO. If the hon. member believes what he is saying, I feel sorry for him.

Mr. Nystrom: I believe it, otherwise I would not be saying it. More and more people are saying what I am saying, with the exception of a few reactionary Tories who, like dinosaurs, are living far in the past. There is so much trouble in the world because some people believe what the hon. member believes. Nothing is ever totally black or white in this world. There are not only the free enterprise, capitalist countries on the one hand and communist countries on the other: there is a third alternative that countries such as Canada should be pursuing. I could make other remarks about NATO, but time will not permit. I have given a few reasons to support my contention that we should withdraw from that organization.

As I said before, I think Canada should develop an independent foreign policy. In doing that, we should concentrate much more on international development and on peacekeeping. In that way we could make a real contribution to world peace. I think, also, that we should try to strengthen the United Nations and make the world a more harmonious place for all of us to live in, regardless of where we live or the colour of our skin. We must try to communicate more with one another. If we do not communicate there will not be any central agency for the exchange of ideas. As a result, we cannot expect anything but trouble. That is why I welcome any move that will open up a world community and make this one world. After all, in many ways international boundaries do not exist any more. They do not exist in many ways for finance or for modern communications. We must realize that the world community is rapidly becoming a global community and we should be formulating our policies with that in mind.

As I said, I think the motion before us puts emphasis on the wrong priorities and points in the wrong direction. It suggests policies that are the opposite of those that Canada should be pursuing today. Instead of pursuing those policies, we should be trying to get out of NORAD and NATO. We should concentrate on strengthening the United Nations, on peacekeeping and on international development. The policies suggested by the motion will not do us much good because, if adopted, we shall be contributing to the polarization in the world. When that happens you may have, suddenly, a nuclear war. That is what will happen if on these questions we support the narrow-minded, anachronistic views that have prevailed in the past.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, before giving my few thoughts may I comment on the remarks of the hon. member for Yorkton-Melville (Mr. Nystrom). Although I respect his thoughts and his youth, I feel that if he would read history and learn what happened particularly after the First World War and in the 25 years after the end of that war and the beginning of the Second World War, he would probably make a new assessment of what the protection of our country means.

Some hon. Members: Hear, hear!

Mr. Nystrom: I have read history.

Mr. Marshall: Previous speakers have covered very well some important factors with regard to the direction that our defence policy might be taking, and it is only left to me to make some general comments about my thoughts regarding defence policy over the years. Canada's defence policy, to my mind, has been a series of short-term stabs in the dark, depending on the whims and fancies of whoever was Minister of National Defence at the appropriate time. There is only one exception to this rule. The only time we had a clearcut defence policy was when the hon. member for Calgary Centre (Mr. Harkness) was Minister of National Defence.

Some hon. Members: Hear, hear!

Mr. Marshall: At the present time we are waiting with some anxiety to see what the minister will produce in the way of a directive on the course we are to take in the future. This will be the second white paper that I will have seen in the three years that I have been in politics here.

Let us consider the present state of our forces. The worst blunder that can be made is reducing our forces to 82,000, as we are doing. It will be interesting to hear, in my humble opinion, what some of our retired generals and other senior officers who left the forces in recent years in disgust over our integration and unification policies—whichever came first at the time—have to say about this reduction in strength to 82,000. It would also be interesting if we could be behind closed doors with the chiefs of staff and senior officers at other levels of command and learn their opinions on the question of how we can fulfil our commitments, even according to our last set of priorities, with 82,000 officers and men.

• (4:00 p.m.)

If we were to break down the strength of our Canadian forces, which include 42,000 administrative and support personnel, I am sure we would find that with the 40,000 fighting troops left our strength could not be committed to any exercise larger than the one we unfortunately faced last October in Quebec. Without trying to sound too alarming, I ask: How would our forces have been able to react if a similar incident had sprung up in another part of our country? Thank God, Mr. Speaker, that we were not faced with that situation, because it would have been very embarrassing.

When the minister says that we do not respect the capability and efficiency of our forces, surely he is being very childish. I say, Mr. Speaker, that the reduction of our forces to 82,000 will reduce them to a state of ineffectiveness. I am not looking for any massive force just for the sake of competing with other nations. I realize that most of our efforts as peace-loving Canadians should be directed toward peaceful missions. I also realize that our funds are not limitless. Canada is not a warlike nation. We have no history of military aggression, and our proud military achievements have been directed toward helping

other friendly nations combat aggression by other nations with a greed for power. Some of these nations are friendly today. By visiting the war graves in Europe we are reminded of the cost of past wars. We need only visit the war memorials to see the scars left by wars.

We spend money on insurance policies for protection in the event of accidents, fire and sickness, even though we hope they will not strike. Canadians who are charged with the protection of our citizens must be prepared to spend money to defend our country, not only from outside aggression but from internal strife. We must be prepared to protect our sovereignty and to contribute toward the maintenance of world peace. We must recognize our total commitment. Our involvement must be limited to our capacity to pay for such commitments. We do not become proficient by introducing policies without a fundamental appreciation of our aims and objectives or just for the sake of change. This change reminds me of the sensational unification policy of the then Minister of National Defence.

It is not my intention to labour this point of the responsibility for evolving Canada's present role in the over-all spectrum of defence. However, I want to make it clear to those who are responsible for reviewing current policy that it was not a military decision to unify the forces. The responsibility was beyond them. It is a pity that there were not more resolute hearts among the ranks of the admirals, generals and air marshalls who retired in disgust, or that there were not fewer opportunists. It was an exercise in sensationalism for the sake of being sensational, and an exercise in drama for the sake of being dramatic. It was as expert a public relations job as we will ever see.

The results are well known. Those left with straightening out the mess over the past few years have been belaboured with trying to resolve a breakdown in morale and efficiency. However, I have no doubt that the remaining military-oriented and experienced commanders will resolve the travesty. Will the cost ever be known as well as the waste of manpower? Those who brought our fighting troops to victory and glory were cast aside. In their retirement, they must sit and wonder why this happened. I realize that reminding us of the past is an exercise in futility, but I think it is as worth while as the lessons we learned in military schools to study the battles which we have lost in order that we do not lose again.

In the last white paper on national defence, our military roles were listed as maintaining Canadian sovereignty, aid to the civil power, contributing to deterring war and even to aid in economic development. It will be interesting to read what our new strategy will be in defining our role under the present Minister of National Defence (Mr. Macdonald). I sincerely hope that a clearly defined policy will be produced which will last beyond a couple of years, because it is embarrassingly obvious that we have had more changes in the past few years than should normally be expected with clear, military thinking.

We have had integration and continuous cutbacks in our naval forces, army and overseas commitments. We must have a sensible appreciation once and for all with regard to our aims and objectives, commensurate with what we can spend in the next few years. We must make up our mind whether we will stand up and take our place with an adequate armed force or depend on the American capability to defend North America.

With regard to the future role of our forces, if we cannot maintain a large enough force to react to all emergencies we should seriously study the role of our reserve forces which are being reduced to a state of ineffectiveness. Since World War II the role of the militia has been almost an annual exercise in futility, with changing roles. The support of the reserve forces has been passive, to say the least. I suggest to the minister that our reserve forces should be considered with much more realization of their value in terms of being prepared in case of need and to realistically support the parent, regular forces. I can assure the minister that the 17,000 individuals in our reserve force and militia are dedicated. From the standard of officers whom the minister meets at the conference of defence associations, I am sure he has seen that these part-time soldiers want to play a role on behalf of their country.

The ability of our forces to react in situations such as the Quebec incident emphasizes that training in the militia could be directed to realistic support of our regular forces in aid to the civil power. It is worth asking what would have happened last October if the forces had had to react to more than one such incident. Given encouragement, logistic support and proper training, militia men would be ideal for such duty. Their local, on the spot familiarization gives them the opportunity to train in co-operations with police, firemen and emergency measures organizations. The example of tasking elements of militia units to regular force counterparts and periodically exercising personnel in Europe was successful beyond expectations. This emphasizes the ability of our Canadian youth to quickly adapt by exposing them to the expert training ability of our regular forces.

Another failure on the part of our experts in the role of the militia was to ignore, other than by passing motion, the participation of the conference of defence associations. This always ended in asking them to ratify a plan which was already decided upon. I hope the minister will correct this error and remember our new philosophy of involvement at every level of our society.

If our budget does not permit the maintenance of an adequate force, we must build up our reserves to meet our requirements. In order to accomplish this we must be prepared to provide a sensible nucleus of regular force staff to direct and ensure efficiency in training and in logistic support. The most serious problem in the reserves today is the turnover of personnel. This is due to a lack of training in administrative cadre across the country.

Some years ago the department initiated a series of six-week special militia training courses to provide our young citizens with a basic exposure to the requirements of civil defence. This was an important issue at that time. It was also initiated to overcome a lack of employment which existed. I remind the minister that the cabinet could give serious consideration to reviving such a pro-

gram. It would be very timely in facing our unemployment crisis. The basic concept of our militia should be that we can produce efficiency and a proud and dedicated back-up for our regular forces in the case of need and in aid to the civil power. It could form the nucleus in leadership in solid and productive programs for the youth of our country.

We must continue to support what is probably the best program ever sponsored by the Department of National Defence, the cadet services of Canada. It is unfortunate that we have not kept a record of the results of this training in connection with our school systems and under sponsorship of service organizations. If this had been done we could have seen the results of such programs in producing better citizens. I hope the government will continue to support such a program across our nation and, more important, to allow more participation in it.

I give full marks to the minister for providing a more wide-ranging program in the area of special militia training and providing civilian employment for students and others up to the age of 24 years. The broadening of this program to include research and engineering products, food services and physical education programs deserves merit. I am in favour of the program of six weeks' instruction at mobile command bases across Canada in first-aid, hunter safety, bush survival search and rescue, water safety, citizenship, adventure training, leadership and instructional techniques. However, such courses should be provided on a much larger scale because never have we needed more to provide our youth with a sense of purpose, especially in the fields of physical fitness and leadership training.

In our apparent desire to involve our youth and to invite them to confront our government leaders in a sense of participation, we should use basic common sense and allow them to participate in a meaningful way with the proper leadership training which they can pass on to others and at the same time earn enough to complete their education. On the one hand the minister tells us that the numbers must be restricted because of lack of funds; on the other hand the government is prepared to pay students to hitchhike across the country because we want them to see Canada. We have come up with a pretty good Canada as it is, Mr. Speaker, and I wonder what Member of Parliament would have thought, as a youth, that he deserved a government-sponsored tour to make a better country.

• (4:10 p.m.)

We became a better country by hard work and pride in being independent, by suffering through world wars. No one wants to hear the word "war" any longer. So let us put the expertise in military training to a more useful goal as part of their future role—to provide leadership and training to others by healthy and useful participation and direct the energies of our youth to make a useful contribution, and not by inviting them to become militant against those who govern.

Let our youth prepare themselves to provide better government in the future by an over-all plan of instilling a sense of responsibility to show how much we need their energies to make a better Canada. We can show them Canada on television in their leisure hours, but they will become better Canadians if they expend some effort through their healthy minds and bodies.

The motion before us today is timely in that it urges the government to declare a defence policy which will indicate that we can and will define a clear and purposeful role for our armed forces, and I hope we will see proof of that in the near future.

Mr. R. J. Orange (Northwest Territories): Mr. Speaker, I will leave to the experts of the defence committee the question whether we should be moving our armed forces into or out of Europe. I intend to direct my remarks today to what I believe to be the role of the armed forces in the Canadian north.

Historically, the first appearance of the Canadian armed forces in the Canadian north was back in the Klondyke days, the days of the Yukon gold rush. In 1898, a regular force officer, Colonel Evans, led the Yukon field force into the Yukon to work with the Northwest Mounted Police to maintain order and discipline in that unruly era. The field force remained in the Yukon for many years before moving on.

During the course of the years the communications system of the Yukon and the Mackenzie was manned by the northwest signal system of the signal corps. When it became apparent that the private sector was able to take over communications in the territories, the signal corps left. After the Second World War, when the United States army moved out of the Yukon, responsibility for maintaining the Alaska highway, the northwest highway system, was left with the military.

With the growth of civilian services in the area this arrangement, too, passed from the scene and for a number of years the presence of the military in the Canadian north was limited to a number of installations, primarily communications stations at Frobisher Bay, Alert and Inuvik. Exercises were occasionally held in the north to measure the effectiveness of equipment, supplies and communications.

Last year, however, on May 15, the then Minister of National Defence announced the establishment of a northern region command. When Mr. Cadieux made his announcement he indicated that one of the purposes of establishing a northern headquarters was to strengthen Canada's military presence north of the sixtieth parallel. A small aircraft-servicing detachment was established at Frobisher and increased air surveillance coverage was provided.

Together with some of my hon. friends in the House I had the opportunity of joining the committee on national defence and the minister last week in Yellowknife to celebrate Northern Command's first year and to dedicate Colonel Evans' headquarters' building in Yellowknife. In the past year we have seen the development of a reasonably effective plan for the presence of the armed forces north of the sixtieth parallel. Reasonably enough, the size of the permanent force at this stage is limited. They are

responsible for logistic and technical support for all commands as they go north of the sixtieth parallel. These commands, whether their forces are seaborne or ground forces, have a responsibility to work with the northern region command so as to carry out an effective exercise in any part of the territories.

In the past year a considerable number of exercises have taken place in various parts of the north to determine the ability of our forces to move and survive in various parts of the Arctic in both summer and winter conditions, to develop new techniques of search and rescue, and so on. So we have seen a start on the infrastructure. I think I can say that northern people welcome this initiative, not only in terms of the national scene but because they are delighted to have a military presence back again north of the sixtieth parallel.

Other hon. members, especially the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Buchanan), have indicated there were many areas in which a military presence could play an effective role in helping develop the Canadian north. My hon. friend made reference to a joint program of building airstrips in co-operation with the Department of Indian Affairs and Northern Development. A program for building these airstrips has been set out for seven or eight years based on the availability of funds to be provided by one department, the Department of Northern Affairs. However, because of the military involvement this program can now be completed much earlier and many northern communities will be served by adequate airstrips much sooner than would have been the case under the old arrangements.

The engineering corps has undertaken the responsibility of building a bridge across the Ogilvie River. This is a bridge which would have been completed eventually by the civil authority, but because the military were able to undertake this task, funds were released enabling the highway approaches to be completed, incidently opening access to the Arctic Ocean from the Yukon territory. There are many other areas in which military forces could make a positive contribution.

The minister referred to his visit to Fort Smith last Sunday when the mayor of that community, Mr. Paul Kaeser, directed his attention to a proposal to use the services of the young people in the north who are undergoing vocational training, in co-operation with the technical abilities of the armed forces, to complete a stretch of road which is so low on the list of priorities for northern development that I doubt it will be completed in the seventies.

• (4:20 p.m.)

However, a program is now being worked out between various government departments to use the skills of young northerners, under supervision of experts in the armed forces, to complete one other step in the process of northern development and thus fulfil the dream and the hope of many people in that area. When we had the opportunity of introducing the minister last Sunday, and following the mayor's eloquent plea for the building of this road, I could not help but think that if the Minister of National Defence (Mr. Macdonald) were able to pull it off, this highway should be named after him.

We must also look at the relationship between the military and the civilian community in the north. I have already indicated that this particular road is low in the order of priorities and probably would not be completed during this decade. However, I think that the military have the responsibility for ensuring that their activities, be they in the field of engineering, search and rescue or something else, do not conflict with the interests of civilian operators and people engaged in private enterprise. I believe the military are conscious of that and are making a serious attempt to ensure that there is no such conflict. However, we cannot repeat too often that we must keep close surveillance of and observation of the relationships between the military and the civilian community.

In the field of search and rescue, Northern Command will be setting up a small aircraft fleet in Yellowknife. From time to time there will be pressure to provide services that are normally provided by the civilian operators, and I believe we should insist that there be no conflict here. There will be cases, as happened last week, when a civilian operator is unable to provide the service. Since the military had available the equipment to meet a very serious situation facing one mining community, the mining community, the management, the military and the civilian operators were able to work out a mutual arrangement satisfactory to all and at the same time meet an emergency situation.

With regard to airstrips, by and large there are no communities in the north with civilian operators who can provide equipment to build airstrips. However, in one particular community, Igloolik, it is proposed to go ahead with the development of an airstrip. At the same time, there is an Eskimo community with the necessary equipment to build the airstrip and I think all concerned have agreed it would be better to move this project to another community rather than to conflict with the interests of the Eskimos at Igloolik.

There are still many areas in the north with which the Department of National Defence can concern itself. Last week, during his stop in Yellowknife, the Minister of National Defence announced an exciting new program of recruitement to interest young northerners in a career in the armed forces. The minister indicated that an attempt will be made to recruit 100 men and women for training in the administrative, transportation, supply, food services and communications fields. He went on to say that on completion of their training these young people from the north will be qualified to serve in any armed forces unit; however, particular emphasis will be placed on locating them in the north.

The minister indicated that opportunities were manifold for northerners, but possibly most important of all was that with increased activity of armed forces personnel in the north and by arrangement with northern headquarters a requirement has developed in the north for people with a special knowledge of local working and living conditions and the terrain in the north, to kick off this program. Recruiting teams from various parts of southern Canada are planning to visit the major com-

munities of Yellowknife, Inuvik, Whitehorse, Frobisher Bay, Fort Smith, Hay River and Churchill within the next month to meet and talk with young people coming out of the high schools.

Under this program, initially these young people will go to Cornwallis in Nova Scotia to follow whatever trade they choose. They will be trained in groups and ultimately will move back to the north if they so wish. I believe this is an exciting program that will accomplish a lot of things and will provide an opportunity to develop expertise on the north within the armed forces. It also gives the young people of the north an opportunity to have a career in the armed forces. Following their training and service, many of them may leave the armed forces and use their skills in some other capacity in the north.

There are also other areas in which the armed forces can participate. For example, over the years the Ranger Corps has been a very successful operation. It was developed at the end of World War II and has been kept together primarily by a number of very dedicated officers of the armed forces. However, with Northern Command it seems to me the Ranger Corps should be expanded so as to use the talents and knowledge of northerners for surveillance purposes and to assist the military.

Another area that I hope the minister will take a look at is the use in years to come of young Canadians from the south as part of the armed forces team working during the summer months in the Canadian north carrying out a number of projects. For example, following the end of World War II the United States government abandoned all of its equipment along the Canol pipeline. This has been a disaster in terms of the amount of debris that is scattered along the line. I do not think that at this stage the civilian authority is in a position to divert funds to employ people to clear the area, but this might well provide an opportunity for a number of young Canadians to work on such a project over a period of time. It would enable them to see something of the north while providing a very useful service.

Development of canoe routes and preservation of historical sites are two more endeavours for our young people, under the direction and supervision of the military forces, which would enable them to perform a very useful and functional role in the north in years to come. I suggest that the talents of our young people could also be used in the building of emergency airstrips along, for example, the Mackenzie River valley.

• (4:30 p.m.)

At the present time there are landing strips at certain villages near mining or oil developments. It seems to me that with the increase in tourism in the north, particularly those coming in small aircraft, it is desirable that we have these emergency strips along the Mackenzie River so that in the event of trouble aircraft operators will know they are not far from a landing strip. This could be accomplished in a very simple way by employing groups of young people to work on these airstrips after being trained in the south. It would provide young Canadians with an opportunity of seeing something of the Canadian north, and at the same time allow them to serve a useful purpose.

I have indicated that we welcome the armed forces presence in the north. In certain areas there can be a conflict with civil services in terms of engineering projects or aircraft services in relation to search and rescue work. I believe the Canadian north will be a much richer place because of the presence of members of the Canadian armed forces and their families. I am personally very happy to have had the opportunity of participating in this debate, and I wish the armed forces great success north of the sixtieth parallel.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I, too, have great pleasure in taking part in this debate and in seconding the motion of the hon. member for Dartmouth-Halifax East (Mr. Forrestall). This motion will give us a brief opportunity on this Friday afternoon to bring attention to our armed forces and some of the problems the minister faces as we move into the 1970s.

Without re-reading the motion we have before us, let me say to the minister—who is in the House at the moment, although he may not stay until the end of the debate—that had I spoken before him during this debate I would have suggested that many men in the armed services who have experienced many internal battles, including the battle of unification and others, were apprehensive about the appointment of this minister. They were apprehensive because of statements he made about the armed forces before he became Minister of National Defence.

Many of these armed forces personnel know the history of other ministers of national defence, some of whom, it can be suggested, manipulated the role of the armed services. The climate has not been too healthy or constructive. Since the minister assumed the portfolio these apprehensions and concerns have been diluted. Members of the forces, along with parliamentarians, are prepared to give the minister more time before making a decision. We will wait until we see the white paper on defence which was supposed to be placed before Parliament before now.

The minister said earlier that he had some difficulty in communicating any thoughts to myself. I can readily understand that, because at times I think the minister has difficulty in formulating an original thought, let alone communicating it to any hon. member, even this member who always has a receptive ear. I have always been in support of most service operations and I am waiting to see what this new Minister of National Defence is prepared to do.

The purpose of this motion is to articulate some of the concern felt by members on all sides of the House about the emphasis to be placed on defence policy as we head into the 1970s. It was suggested that during this debate the opposition would have an opportunity to put forward a blueprint on national defence. I think this is a rather naïve suggestion. The minister seems to take some satisfaction from the remarks of the hon. member for York-Simcoe (Mr. Roberts) and the hon. member for Green-

wood (Mr. Brewin), who put forward generalized national defence policies. I really cannot see what help he gets from them. The hon. member for York-Simcoe commented on the remarks of the hon. member for Dartmouth-Halifax East.

Mr. Macdonald: And he is not in the House.

Mr. Nowlan: He is not in the House, and the hon. member for York-Simcoe is not here. I suspect the hon. member for Dartmouth-Halifax East is behind the curtain trying to figure out what the minister said earlier. The hon. member for York-Simcoe was critical of the remarks of the hon. member for Dartmouth-Halifax East.

I agree with the contribution of the hon. member for Greenwood in respect of priorities. I do not think there is a member of this House who would disagree with his suggested priorities. We must have a force to look after internal order, to maintain surveillance over Canadian sovereignty and to contribute to world peace. These are pious, motherhood platitudes which do not help solve the minister's problem or, getting down to the nitty-gritty, do not suggest how we should implement this type of general policy. The minister will have to balance these general principles with the limited budget he now has.

Without being facetious, let me suggest that at whatever stage the white paper on defence is, perhaps it will have to be revised because of certain events that have taken place in Moscow in the past few days. If the letter of protocol which has been made part of *Hansard* means anything, it means we will experience an adverse feeling about our NATO and NORAD agreements. Perhaps the Prime Minister (Mr. Trudeau) will come back from his wanderings in the Soviet Union and amplify this statement on protocol.

Whatever the members of this House think about the function of NATO, whether those hon. members be young, old, or old with young minds, their attitude has been affected by the successful history of our NATO alliance up to this point. World conditions have changed and we must change our attitude accordingly. One hon. member who spoke during the debate was misguided in respect of his ideas about trade arrangements as related to NATO. Let me point out that both Sweden and Switzerland, the examples he used, have higher per capita defence costs than Canada and many other countries in the western world. We have listened to the words of members of the NDP who, I suggest, suffer from a schizophrenic mentality. As the hon. member for Humber-St. George's-St. Barbe (Mr. Marshall) has pointed out, no one wants to pay dollars for defence. We have more humanitarian things to look after. No one wants to pay money for insurance but, like defence, insurance is protection.

It is time the government took a hard look at some of the old treaty arrangements and came forward with a new defence policy. We must have a policy that is more flexible. I am not suggesting that any member is a warmonger, but certainly members of the NDP have a schizophrenic mentality. They are passionately anti-war, anti-fighting, anti-treaty and anti-everything else having to do with defence. Some members of the NDP are passionately anti-war, anti-fight, anti-treaty—which we all are in theory. We are pro-God, with certain restrictions. We are for motherhood. We are for milk and honey. We do not want the ravages of war. But it is those people who have not spoken out clearly and critically about a state of unpreparedness who have produced and stimulated more war than those of us who have tried to suggest that we need some type of defence arrangements.

• (4:40 p.m.)

When considering Sweden and Switzerland one must remember, first, that they pay a higher per capita cost for defence and, second—what is more important—both those countries are doing something against which this country has literally fought bloody battles and political battles, that is, the total mobilization of citizens between the ages of 18 and 58. They can be called up and put in the reserve forces. I would like to see any major party seriously advocate such a move in the House of Commons, in view of some of our political battles in the First World War, let alone differences of opinion in the Second World War.

On the one hand, some friends of the NDP say that you have to follow Sweden and Switzerland, keep Simon Pure and keep your head in the sand; and on the other hand, when you look at those countries you see they have mobilization in their defence arrangements which this country has not bought, and their cost for defence is one that this country does not begin to come close to. But enough about this schizophrenic viewpoint of hon. members to my left.

I do not want to be misinterpreted or misrepresented by the Minister of National Defence (Mr. Macdonald) because I may be critical of him politically or because I may be most critical of this government in my apprehension about the way in which we are going. Let him not think that I lack confidence in the members of our armed forces who, in spite of the many political machinations of members opposite and of the government, have survived and will survive and have fought battles in the unification and integration of the forces and are now fighting the battle of the implementation of the report of the B and B Commission. Perhaps they are temporarily concerned, but all these problems can be partially resolved if they feel they have a real part to play, a plan to follow and purpose in the general defence policy for which they have been waiting for several years.

Hopefully, the white paper which the minister is supposed to produce will give them guidelines so that they may obtain some inner satisfaction in contributing in a meaningful way to the security arrangements for Canada and an assurance that they will not be left in limbo, where I suggest they have been for too long due to the machinations and manipulations of the procession of ministers through the defence ministry that has been the hallmark of this government.

In a general way, so far as the question of defence is concerned I think any member of Parliament must look with interest, and perhaps trepidation and apprehension, at some of the activity which has taken place in Moscow

in the last two or three days. Do we, or do we not, have a new detente? Are we not fooling ourselves, because our Prime Minister with a tulip between his teeth can parade through Red Square, that this will make any more doves of peace fly through the world?

Does the fact that the Bolshoi ballet may be one of the better ballets in the world remove the Berlin wall? I think not. I say with some hesitation that I have no confidence whatsoever in the international dialogue, monologue or prescience of the Prime Minister who not so many years ago thought the Second World War was a war of imperialism. It is that type of theoretical, idealistic philosophy which was wrong then and which, if it means anything to the Soviet Union, could get us into a lot of trouble.

In saying this I do not want to fall into the same trap in which the Minister of National Defence tried to put the hon. member for Calgary Centre (Mr. Harkness) earlier, when he said that the hon. member was against discussion, against consultation and against negotiation. The minister used a word which the hon. member for Calgary Centre did not even use, in trying to paraphrase what the hon. member said about the words of Mr. Nixon and Mr. Brandt—that we have things to gain in talking to our Russian friends the same as we have things to gain in communicating with the Chinese. We have things to gain in communicating with the Hungarians, the Czechoslovakians and many other people under the suppression of the Russian bear. Of course there should be discussion and communication on technology, on science and on the development of the north. There should be more bilateral arrangements and discussions. The hon. member for Calgary Centre did not use the word "gain".

Of course Mr. Nixon knows that to achieve world peace one has to talk to the big superpower; and that is why Mr. Nixon might want to do what we have done in recognizing China, because it is unreal to have one of the largest countries in the world outside the community of nations. There is a difference between what the hon. member for Calgary Centre said and what I am trying to say and the interpretation by the Minister of National Defence or his misrepresentation.

It is not that we disagree that we should have communication and discussion with the Soviet Union or be receptive to any overture from them. But how should we interpret what was evidently said by our Prime Minister yesterday in a press conference, after signing the protocol, that it was necessary to further develop agreements with Russia to maintain our own culture? Those are the words which I read in the press and which may have been misquoted.

Apparently we have much to learn from the Russians in a cultural or political way. I could ask many rhetorical questions such as, what do we have to learn from the Russians in a political or economic way? One could follow that through further than I intend today, but I suggest that their whole economic infrastructure and their whole economic philosophy leaves little for us to emulate. Quite the opposite, they could learn something from this society, even though questions might be put regarding how "just" it is from time to time. We know it is not always pure, but at least it is more open than some other societies.

I do not know who has more to learn about freedom. One could talk to people in Hungary and Czechoslovakia who could tell us a lot about freedom. I suggest that while Canadians should be receptive and have a positive frame of mind regarding bilateral arrangements in areas of science and technology and some other things mentioned in the protocol tabled in *Hansard* of Thursday, we should be most concerned and on guard and not misled by this new detente that seems to have sprung out of nowhere.

Let us not forget that another Prime Minister in the Liberal party went to Germany in 1938 and thought that Mr. Hitler was a rather interesting individual. That was Mackenzie King. And a British Prime Minister, Mr. Chamberlain, had a similar attitude. I am not suggesting that the Soviet Union is necessarily like Mr. Hitler's Germany, but there are some aspects of it which certainly should not receive universal acclaim from Members of Parliament, regardless of the party to which they belong.

For this reason we should be careful and cautious not to let the euphoria of tulips in the springtime in Moscow affect our readiness to participate in a meaningful way in the defence arrangements which have allowed us liberty, licence and sometimes excesses in this country. Anyone who suggests that you can lie down and play dead, be unentangled and uninvolved, should look at such countries as Russia, Sweden or Switzerland to find out that there is little involvement there.

• (4:50 p.m.)

Why should we be neutral? Why should we be a vacuum? In fact, we cannot be a vacuum living next to the United States. This is the part I am most suspicious about, that a Prime Minister who has travelled more through Russia and China than he has travelled in the United States thinks things are so odious to the south of us that he has to counterbalance them with entanglements and arrangements with Russia. It is that type of philosophy that produces this type of reasoning. However theoretical or idealistic it may be, it just does not work out in the world of reality and we must remember our history and the many things that we have shared with the people to the south of us. But with that general caveat applied to the question of the protocol on consultations, when the Prime Minister returns I would like him to explain paragraph 2, which reads:

> In the event of a situation arising which, in the opinion of the two governments, endangers the maintenance of peace or involves a breach of the peace—

—there are to be consultations. When our Prime Minister is talking to Brezhnev and President Kosygin, would he find out if that is going to apply in the case of Hungary, of Czechoslovakia, of Korea and Viet Nam? And if it would apply, is it the case that the Russian bear would just open one ear and then go on to do what he was going to do anyway, and are we just fooling ourselves?

I suggest that a country like Canada, that could have participated in a meaningful way in the Southeast Asia

situation under the auspices of the International Control Commission but found it was practically useless to participate with countries so directly involved in the east-west conflict, is only fooling itself if we, its people, think we can participate in a meaningful way as an honest broker—which the Prime Minister says we are not—or in any other consultative way with the Soviet Union.

I am amazed that my time has expired and that I have not dealt with Maritime Command.

Mr. J. Chester MacRae (York-Sunbury): Mr. Speaker, I find that there are only a few minutes left in which to take part in this debate. I realize that I am following some very knowledgeable speakers from all corners of the House on the matter of defence. I want to discuss one aspect of the motion presented by our party, that dealing with the reduction in our active and reserve forces. I ask, why should our forces not be up to strength? Is there dissatisfaction in our forces today? Very briefly I wish to discuss a survey done within the last three months covering a cross-section of our armed forces.

The reason for the survey was a suggestion made by the Public Service Alliance of Canada to the government that in some way the armed forces might be organized along union lines. When I read the suggestion I had grave misgivings that the forces could be unionized, having had some experience in the active forces in the last war and in the reserve forces. However, many of us felt that we should ask the members of the armed forces what their feelings were on this subject. We chose a number of military bases in Canada, including Base Gagetown which is in my constituency and is one of the finest military bases in the British Commonwealth.

An hon. Member: Next to Greenwood.

Mr. MacRae: I would dispute that. Some 25 per cent of those who were questioned responded. Was there much opposition to the survey? Rather surprisingly, there was not, although some may have felt that they should not have been written to and a few wrote back to say so. One reply that I remember in particular was that we should keep the army out of politics, and politics out of the army. But of course, Mr. Speaker, at head of the Department of National Defence we have a man who first of all must be elected to the House of Commons.

I would like to put on the record a brief summary respecting the response to the questions we asked. If the minister does not already know about this, I think he will find it of considerable interest. From an analysis of the replies of those who responded we were able to ascertain the following: There appears to be a substantial degree of disenchantment among armed forces personnel about the decision-making process concerning their working conditions.

On the whole, army respondents and non-commissioned respondents have expressed a higher degree of disenchantment than navy and commissioned respondents. A majority of the respondents appear to be ready to accept the application of the principle of negotiation to the armed forces. However, although this principle of negotiation might not be applicable to all aspects of the armed forces, certain aspects of their working conditions are undoubtedly negotiable. These are pay and allowances, retirement and pension conditions and grievance procedures.

There is a definite lack of consensus among the respondents as to the necessity or even desirability of organizing armed forces personnel along union lines. However, it was felt there should be some mechanism established whereby negotiations with the government are conducted in a collective manner. This negotiating body should be formed within the armed forces, and definitely should not be in the hands of an outside group such as the Public Service Alliance.

Finally—and I concur emphatically in this—the armed forces should not, even in time of peace, have the right to strike. That is as it must be.

I find that I have only a moment or two left, Mr. Speaker, and what I have to say may not be very popular with one or two of my colleagues. I wish to thank the Minister of National Defence (Mr. Macdonald) for the assistance he has rendered to me in dealing with armed forces personnel problems. This debate has centred mainly on policy. I am more interested in trying to help with the personal problems of the men in the armed forces and their families. The Minister of National Defence is in the chamber, and I wish to say that I appreciate the consideration he has extended to me in the cases that I have brought to his attention.

I remember one particular case last fall. I do not know if the minister noticed at the time but I was very critical of him one day. The following day I went to him about a problem concerning a gentleman who was formerly in the forces. The minister's response was most generous to this ex-serviceman and it was something he and I appreciated. I wish to thank the minister publicly on the floor of the House for this.

Mr. Macdonald (Rosedale): I thank the hon. gentleman.

The Acting Speaker (Mr. Richard): It being five o'clock p.m., it is my duty to inform the House that pursuant to Standing Order 58(11) proceedings on the motion before the House have expired.

A long weekend in the glorious month of May is a great opportunity to reassess our attitudes and to formulate our judgments on the critical issues that are before us. I hope hon. members will enjoy and share the bountiful gifts of a provident Mother Nature. May her sons learn from her example to be just and good-natured.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Tuesday, May 25, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

FISHERIES AND FORESTRY

Third report of Standing Committee on Fisheries and Forestry—Mr. Goode.

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

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THE CENSUS

OMISSIONS IN QUESTIONNAIRES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, there is a first time for everything and in my 31 years in this House this will be the first time I have moved a motion for adjournment. Under Standing Order 43 I wish to ask for leave to present a motion on a matter of urgent and pressing necessity. It has to do with the census to be taken shortly and the glaring and flagrant omissions in the questions on both the short and long forms of the questionnaire.

In 1961, during my period of office as Prime Minister, I felt strongly at the time of the last census when the form was being approved that there should be provision for those who wished to describe themselves as Canadians to do so.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: A section to that effect was accordingly included which read as follows: "Country of Citizenship: Are you a Canadian? If not, of what country are you a national or a citizen?" That question has now been deleted and a retrogressive step has been taken which will have the effect of putting off for ten years at least the right of Canadians to so describe themselves.

Second, according to the 1961 census the numerical order according to population on the basis of racial origin was as follows: English, French, German, Ukrainian and Italian. However, under section 5 of the present questionnaire, which is entitled "Mother Tongue, Language First Spoken and Still Understood", English, French, German and Italian are set out, with others to be specified. The explanation given by the Minister of Industry, Trade and Commerce (Mr. Pepin) on Friday at page 6036 of *Hansard* is that the reason, if I can understand the mischievous parade of facetious fatuities, is that on form 2A, the short one which goes to two-thirds of all households, the space limits special provision to only four racial origins whose mother tongues are numerically the largest according to the views of DBS, not according to the 1961 census.

• (2:10 p.m.)

There can be no question that the government has deliberately decided to omit those whose language is Ukrainian from the questionnaire. The reason given by the minister is that limitation of space prevented it being done. That is not a valid excuse, since there is ample space to include Ukrainian. Those of Ukrainian origin will fall to a lower category according to population, he believes, than in 1961. That explanation is untenable and unfair.

Mr. Speaker: Order, please. I hesitate very much to interrupt the right hon. gentleman but he will appreciate that under the Standing Order he must indicate what the motion is. There are a number of precedents and rulings from the Chair to indicate that there should be no debate at this point. I have suggested to the House from time to time that, since Standing Order 43 does not make it possible for another hon. member or for someone on behalf of the government to reply to an argument in connection with a motion such as this one, it might not be according to the spirit of the Standing Order to have argument. So I invite the right hon. gentleman to indicate as soon as possible what the motion is for which he seeks the unanimous consent of the House.

Mr. Diefenbaker: Thank you, Mr. Speaker. I am sorry that I have transgressed but I had to give an explanation; otherwise the motion would have been meaningless. The omission I have spoken about with reference to people of Ukrainian origin has been strongly objected to. The Ukrainian Canadian Committee and others have raised their objection to the Acting Prime Minister and to others because of the discriminatory nature of this omission. Again section 16 of the questionnaire asks, "What is your religion", and although the Ukrainian Greek Orthodox Church is the largest Greek Orthodox denomination in Canada, it has been specifically omitted from the questionnaire. I wish, Sir, pursuant to Standing Order 43, to ask for leave to present a motion on a matter of urgent and pressing necessity, seconded by the hon. member for Dauphin (Mr. Ritchie):

That the Standing Committee on Finance, Trade and Economic Affairs be authorized to look into the changes and omissions above stated and be empowered to make such recommendations for changes in the census forms to meet the objections I have referred to.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion proposed by the right hon. member for Prince Albert. This motion has been submitted for the consideration of the House under the terms of Standing Order 43 and requires the unanimous consent of the House. The Chair will therefore inquire whether there is unanimous consent for the putting of the motion that has been proposed.

Inquiries of the Ministry

Some hon. Members: Agreed.

Some hon. Members: No.

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

Mr. Diefenbaker: It was opposed by Liberal party members and only by Liberals.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

AID FOR REFUGEES FROM EAST PAKISTAN—TENSION ON INDIA-PAKISTAN BORDER—GOVERNMENT POSITION RESPECTING PAKISTAN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, can the Secretary of State for External Affairs tell us about any arrangement regarding aid for the refugees from East Pakistan now in West Bengal? Is anything effective being arranged to assist these refugees who are now reported by the government of India to number in the millions? What is Canada doing in this connection?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as I said in reply to a similar question at the end of last week, the government is giving sympathetic consideration to the request that has been received for international aid for the Pakistan refugees who are in India. This effort is being co-ordinated through the United Nations Commissioner for Refugees, and we are now in the process of deciding what sum of money it would be appropriate for Canada to contribute.

Mr. Stanfield: Has the Secretary of State for External Affairs anything to report with regard to the possibility of tension along the border between India and Pakistan? Is the government taking any position with regard to this situation?

Mr. Sharp: Mr. Speaker, the government recognizes that the movement of refugees across the border from Pakistan into India is in itself a cause of very great tension. We have been advising both the Indian and Pakistani governments to do everything they can to avoid an escalation of this conflict. The problem, however, is extremely serious and we recognize it as such. For the time being at least we feel that the most effective thing we can do is provide some aid to the refugees who are there.

Mr. Stanfield: Mr. Speaker, I would like to ask the Secretary of State for External Affairs what the position of the government is toward the government of Pakistan. For example, does the government of Canada believe that pressure should be put on the government of Pakistan to achieve a settlement through the World Bank, for example, refusing to give any additional time with regard to payments that are due? Does the government of Canada believe it should become involved in pressure

of this sort or, on the other hand, does it feel it should remain aloof and keep its hands off as far as Pakistan is concerned?

Mr. Sharp: As I understand it, Mr. Speaker, the situation is that the government of Pakistan has unilaterally declared a moratorium. The various countries concerned have been studying this situation and deciding how best to cope with what appears to be the bankruptcy of the Pakistan government. As far as aid is concerned, it is a very difficult question of judgment how far to go in providing aid under these circumstances. Like Canada, I think that most countries of the world are operating very carefully. We certainly do not want to cause additional hardship to any of the people of Pakistan, in the east or west, by denying projects that can be of immediate assistance. Nevertheless, it is recognized that the aid must be seen to be going toward helping the people on both sides.

Mr. Andrew Brewin (Greenwood): I have a supplementary question, Mr. Speaker. Is an effort being made to assure that Canadian aid is not used to bolster the military repression of East Pakistan?

Mr. Sharp: Yes, Mr. Speaker.

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CANADIAN PACIFIC RAILWAY

REDUCTION OF EMPLOYEES' AND PENSIONERS' PASS PRIVILEGES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my question is for the Minister of Transport. In view of the fact that the Canadian Pacific Railway has reduced, almost to the point of elimination, the pass privileges accorded its employees and pensioners, and in view of the fact that these privileges have been regarded as part of the earnings of Canadian Pacific employees, will the minister take up this matter with either the Canadian Pacific Railway or the Canadian Transport Commission in the hope that this situation can be rectified?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I certainly will. I was not aware that this situation had occurred. I quite agree with the hon. member that the very least a pensioner can have is the ability to travel on the railway which he served for so long.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. I appreciate the answer of the minister, but will he take note of the fact that the reduction of pass privileges applies to employees as well as to pensioners?

Mr. Jamieson: Yes, Mr. Speaker. I should have also indicated that I would think it is not a matter for the Canadian Transport Commission. It is a matter of appealing to the good sense, if you like, of the Canadian Pacific Railway. I will try to do that.

[*Translation*]

HARBOURS

STATEMENT BY MINISTER OF PUBLIC WORKS RESPECTING MONTREAL

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to ask the Minister of Public Works a question resulting from his statement as reported in this morning's papers and which I consider very detrimental to the best interests of the port of Montreal.

In order to clarify the situation, will the minister make a full statement in the House today or in the next few days so that hon. members be informed of the measures which the government is considering in this area?

[*English*]

Hon. Arthur Laing (Minister of Public Works): Mr. Speaker, I was speaking in the Maritimes—

Some hon. Members: Oh, oh!

Mr. Stanfield: That is no excuse.

Mr. Laing: —when I made reference to—

An hon. Member: Why didn't you go to Assiniboia?

Mr. Laing: —a report in the possession of my department. I never at any time made any reference to the port of Montreal, directly, indirectly or in any way whatsoever. If it is the desire of the media and other organizations to editorialize on the basis of a statement I made, that is their right, and of course they will have to take the responsibility in doing so.

[*Translation*]

Mr. Speaker: Order. Does the hon. member for Sainte-Marie want to put a supplementary question?

Mr. Valade: Yes, Mr. Speaker.

Could the Minister of Public Works table the statement he made in Newfoundland and have it published as an appendix to today's *Hansard*?

[*English*]

Mr. Speaker: The hon. member for Notre-Dame-de-Grâce.

[*Translation*]

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

Mr. Speaker: The hon. member for Saint-Marie on a point of order.

Mr. Valade: Mr. Speaker, with deference to the Chair, I believe the minister was about to give a reply when you gave the floor to the hon. member for Notre-Dame-de-Grâce.

[*English*]

Mr. Speaker: Order. The Chair has recognized the hon. member for Notre-Dame-de-Grâce.

Inquiries of the Ministry

MONTREAL—PRIORITY IN DEVELOPMENT OF PORTS POLICY

Mr. Warren Allmand (Notre-Dame-de-Grâce): Would the minister assure the House that he will not give priority to other ports over the port of Montreal in the development of our ports policy?

Mr. Speaker: The hon. member for Laprairie.

Mr. Bell: Mr. Speaker—

Mr. Speaker: Order, please. The Chair has recognized the hon. member for Laprairie on a supplementary and will recognize the hon. member for Saint John-Lancaster in a moment, also on a supplementary.

Mr. Ian Watson (Laprairie): Can the minister tell us whether the report to which he is said to have referred was prepared by his department alone or in collaboration with the Department of Transport?

Mr. Speaker: Order, please, I suggest to the hon. member that the question as asked is not in order. I would think that the question originally asked by the hon. member for Sainte-Marie was in order. Would the hon. member kindly resume his seat? I suggest to the hon. member and to all hon. members that the only way in which hon. members can ask questions about a statement made outside the House is, of course, the traditional and well-known way, by inquiring whether what was said by a minister outside the House represents government policy. Hon. members may, of course, refer to the substance of the matter without necessarily alluding to the speech made outside the House. In this light the question originally asked was in order, but the supplementary asked by the hon. member for Laprairie is not in order from a procedural point of view.

Mr. Thomas M. Bell (Saint John-Lancaster): Having heard the minister deal with the port of Montreal and knowing he loves all the ports of the Maritimes equally as much and is fearlessly returning there this week may I ask whether he will assure the House that all ports in the Maritimes will be treated equally in this matter?

PRINCE RUPERT—REQUEST FOR REPORT ON DEVELOPMENT

Mr. Frank Howard (Skeena): I have a supplementary question for the Minister of Transport. When will he be in a position to make an announcement about the most important west coast port and its development, namely, Prince Rupert?

Hon. Donald C. Jamieson (Minister of Transport): I hope an announcement or some progress report can be made within a matter of weeks. I have today dispatched a letter to the premier of British Columbia inviting him to meet with me to discuss this matter at a date of his choosing.

Inquiries of the Ministry

THE CANADIAN ECONOMY

INFLATION—CONSTITUTIONAL POWER OF GOVERNMENT TO INTRODUCE PRICE AND WAGE CONTROLS

Mr. G. W. Baldwin (Peace River): I should like to ask the Acting Prime Minister a question in light of the growing danger of inflation and the doubts with respect to what the government's policy is. Has the government sought legal advice—I am not asking what the advice is—as to the jurisdiction of the Federal government with regard to the imposition of wage and price controls?

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker. As I indicated the other day in the House it is our view that in the kind of circumstances which would justify wage and price controls we would have jurisdiction.

Mr. Baldwin: Has the government discussed with the provincial governments the question of whether they would delegate their rights and co-operate with the federal government? I am asking for information purposes.

Mr. Sharp: No, Mr. Speaker. I believe the Prices and Incomes Commission at one time discussed with the provinces whether they wished to exercise restraint or to impose controls under their jurisdiction, but as I recall it the response was negative.

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INDUSTRY

PAUL MANEY LABORATORIES—ACTION TO PREVENT SALE TO FOREIGN INTERESTS

Mr. Max Saltsman (Waterloo): I wish to direct my question to the Minister of Industry, Trade and Commerce, if I can get his attention. Is he in a position today to reply to the question I asked him on Friday regarding the Paul Maney Laboratories and the extent to which his department is providing some assistance in order to prevent the company being sold to foreign interests?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, two points only. The company has recently submitted an application for a PIDA loan which is being processed as rapidly as possible. I also understand that a United States based company in Canada is considering making an offer to purchase this company.

Mr. Saltsman: Would the minister indicate whether it is his intention to ensure that this company remains in Canadian hands as one of the few remaining Canadian drug companies not under foreign ownership?

Mr. Pepin: Mr. Speaker, inasmuch as the programs of my department can be used for that purpose, yes, but there are other things that cannot be corrected by programs of the Department of Industry, Trade and Commerce, however good they are.

[Mr. Jamieson.]

[*Translation*]

AGRICULTURE

DAIRYING—REVIEW OF POLICY

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question I wish to direct to the Minister of Agriculture.

Following the announcement on March 30, 1971, of a new policy with regard to the dairy industry for the current year, the minister suggested that improvements could be brought up during the forthcoming months. Is he now in a position to tell us whether such improvements with respect to prices, will be made for the benefit of industrial milk producers?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am not in a position to announce any changes, but I am in a position to report that improvements in the dairy situation, both in Canada and in international markets have been going on very satisfactorily.

[*Translation*]

Mr. Lambert (Bellechasse): I have a supplementary question, Mr. Speaker.

I accept the minister's answer but this is what I want to know: How soon will the industrial milk producers benefit from it?

[*English*]

Mr. Olson: Yes, Mr. Speaker. The date is not particularly important because any immediate improvement could be realized at the level of the holdback. Whether or not a change is made during the next few weeks or at some later time, this improvement will accrue to the producers anyway.

SUPPLY OF MILK FOR MANUFACTURE OF CHEESE

Mr. R. E. McKinley (Huron): I have a supplementary question for the Minister of Agriculture, Mr. Speaker. Is the minister aware that the supply of milk for the manufacture of cheese is drying up fast, and is the minister going to do anything about it?

Mr. Speaker: I have the impression that this question was asked a few days ago but I am not sure whether it was replied to by the hon. minister. It is my impression that it was, but if it was not the minister could reply to the hon. member for Huron.

Hon. H. A. Olson (Minister of Agriculture): Very briefly, Mr. Speaker, may I say that neither the minister nor the dairy commission has control over the allocation of milk to cheese factories or other processors.

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EXTERNAL AFFAIRS

U.S.S.R.—CANADA PROTOCOL ON CONSULTATION—REPRESENTATIONS BY PRIME MINISTER ON RUSSIAN FISHING PRACTICES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Acting Prime Minister.

The Prime Minister has stated in Moscow that the protocol between Canada and Russia was necessary in face of the overpowering presence of the United States of America which is a danger to our national identity. I want to dissociate myself as a Canadian from the Prime Minister's views—

Mr. Speaker: Order, please. The hon. member knows very well that he cannot make a statement at this time. If hon. members took the opportunity of the question period to make statements such as the one the hon. member is making now, I suggest that that would be the end of the question period. The hon. member has the floor not for the purpose of making a statement but for the purpose of asking a question.

Mr. Crouse: Mr. Speaker, I want to ask the Acting Prime Minister which country initiated the idea of a Russia-Canada protocol, and in talks with the Russians has the Prime Minister raised the position that Russian fishing practices off our coast are presently a danger to our fish resources and asked for immediate Russian co-operation in this area?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, there are two questions here. The protocol, which as I said the other day seems to me to be a useful supplement to the consultations going on between our two countries, was mutually agreed upon as a very useful thing to do at this time. I do not know who suggested it first. I think it arose out of discussion about the importance of the mission of the Prime Minister, and it was agreed that regular consultation would enable Canada and the Russians to make their views known to the other country on such questions as the one the hon. member has raised, namely, fishing and the conservation of fishery resources. Otherwise we would have to wait until the visits of prime ministers or foreign ministers, when there could be regular consultation between their officials and ours whenever we felt this was desirable.

Mr. Diefenbaker: What is our ambassador there for, decoration?

ICNAF CONFERENCE—CANADIAN POSITION—EFFECT OF U.S.S.R.—CANADA PROTOCOL ON CONSULTATION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a supplementary question for the Minister of Fisheries. Will he inform the House what position Canada will take at the ICNAF meetings which are about to take place in Halifax, and what effect the new Soviet-Canadian protocol will have on our position at those meetings since Russia is one of the chief offenders in the overexploitation of our fisheries resources?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, conservation will be the main theme for discussion at these meetings. The Russian government will be represented there by its top officials, and I am sure these representatives of the U.S.S.R. will continue to participate very effectively in ICNAF.

Inquiries of the Ministry

REPRESENTATIONS BY PRIME MINISTER TO SOVIET GOVERNMENT RESPECTING CATCHING OF SALMON IN NORTH PACIFIC

Mr. Frank Howard (Skeena): Mr. Speaker, I have a supplementary question I should like to direct to the Acting Prime Minister. During the time the Prime Minister has been in Russia has he had any conversation with the government of the Soviet Union, or does he intend to, about bringing that nation into the North Pacific convention in respect of salmon, halibut and herring off the Pacific coast in order that that nation as well will cease taking salmon on the high seas?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I hope the Prime Minister will be at home at the end of this week. There will be an opportunity then for members to hear his report and to question him on the matters he has raised in Moscow.

REPRESENTATIONS BY PRIME MINISTER TO SOVIET GOVERNMENT ON EXPORT OF RUSSIAN TRACTORS TO CANADA

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to direct a question to the Acting Prime Minister or the Minister of Industry, Trade and Commerce. While the Prime Minister is in Russia will he take up the question of the possible expansion of the shipment of Russian tractors to Canada, which would help the Russians in their balance of payments position as well as helping Canadian farmers to get cheaper tractors?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I do not know whether the Prime Minister posed that question in such specific terms, but it is known that the Soviet Union has been exporting tractors to Canada and that they have been selling them. If they want to sell more they are welcome.

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TRANSPORT

SUGGESTED EXTENSION OF PACIFIC GREAT EASTERN RAILWAY TO PRUDHOE BAY TO MOVE OIL

Mr. Douglas A. Hogarth (New Westminster): Mr. Speaker, I have a question for the Minister of Transport. In order to avoid the use of tankers for the transportation of oil on the west coast and the ecological problems that might be created by a pipeline, has the government of Canada given consideration to discussing with the government of British Columbia and the government of Alaska the extension of the Pacific Great Eastern railway to Prudhoe Bay in order that unit trains could be used in place of a pipeline for the transportation of oil?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I will try to answer as quickly as I can. We have had a study under way for several months in respect of the extension of rail line services into northern British Columbia and the Yukon. So far as I am aware we have not had representations from either the United States government or the government of Alaska about any further extension, but I am sure we would be very pleased to talk to them if any such overtures were made.

Inquiries of the Ministry

FEDERAL-PROVINCIAL CONFERENCE

AGENDA OF JUNE MEETING—DISCUSSION OF INTERPROVINCIAL FREE TRADE

Mr. S. Perry Ryan (Spadina): Mr. Speaker, I have a question for the Acting Prime Minister. Is there any disagreement over the agenda for the forthcoming constitutional conference in June and, if not, will the Acting Prime Minister table the tentative agenda in the House in order that there can be a focus for public discussion?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I believe there is now agreement on the agenda. I will check to be quite sure and see whether it would be possible to obtain agreement of all the parties to the conference to release it.

Mr. Ryan: Mr. Speaker, will constitutional clarification in respect of free trade between provinces be considered at the conference?

Mr. Sharp: Mr. Speaker, as I said earlier, the principal purpose of the conference will be to carry forward the work that was so well begun in the hope that we will be able to agree on a package proposal for constitutional reform. It was agreed previously that the division of powers between the provinces and the federal government should not be the main part of that package. The practical question of these restraints is one that is, of course, under consideration at all times. It is before the courts and we have put forward a bill which I think would go some distance in helping to solve the immediate problem.

[*Translation*]

GOVERNMENT POSITION RESPECTING FORMULA TO AMEND CONSTITUTION

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, would the Acting Prime Minister clarify for the benefit of the House one point he raised in his answer: will the federal government refuse to discuss any subject other than the formula for amending the Constitution, or does it intend to consider the substance of the amendments?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, of course we cannot refuse to discuss anything the provinces insist upon discussing, but I do hope we can make progress along the general lines that were agreed to by all governments at the last conference. I am sure hon. members of the House would like to see progress made in order that we can bring our constitution to Canada and deal with practical questions here among ourselves without having to depend upon another legislature.

[Mr. Jamieson.]

AGRICULTURE

HOGS—DISCUSSION OF PRICE SUPPORT WITH PROVINCES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I should like to ask the Minister of Agriculture whether during his discussions with the provinces he took up the question of support prices for hogs in view of the fact that two provinces are now subsidizing their hog producers? Has he discussed the possibility of price support under the Agricultural Stabilization Act, and how this could be done effectively?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. I have had a review made of prices in this current year and compared them with the ten-year moving average on which they are based. They were still above 80 per cent of that ten-year average. As I pointed out to the hon. member a few days ago, we want to be helpful in this situation, if we can change the effective dates of the hog marketing year. But I can also report that indications are that hog prices will start to move up in late July or August.

[*Later:*]

Mr. Gleave: Mr. Speaker, I should like to ask the minister to inform the House as to the basis of his forecast that hog prices will increase in August. Would he tell us whose crystal ball he was using?

Mr. Olson: Mr. Speaker, I am using no one's crystal ball. I am basing this forecast on the statistics we have from both Canada and the United States which indicate that farrowings started a very sharp downward trend about two and a half months ago.

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EXTERNAL AFFAIRS

AID FOR REFUGEES FROM EAST PAKISTAN—GOVERNMENT POSITION RESPECTING PAKISTAN

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to return to the problem of Pakistan and India and the refugees. The Secretary of State for External Affairs seemed to be a little general in his previous replies. I should like to ask particularly about the refugees who are apparently there now in large numbers. When does the government of Canada propose to make a decision as to what aid it will render these refugees?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the matter is under discussion at the moment among the various departments and I am hoping that within the next few days we will make a decision as to the amount.

Mr. Stanfield: I have one further supplementary question regarding Pakistan which I understood the minister to suggest was bankrupt because it had declared a moratorium. Is it the policy of the government to continue simply to watch the situation, in which event the government of Pakistan might just disintegrate, or does

the government of Canada propose to participate in the taking of some decisions? In other words, is it the policy of the minister simply to let nature take its course in the hope that somehow the thing will work out, or has he a policy?

Mr. Sharp: We have had a number of discussions recently with the body that has been co-ordinating this problem, namely, the World Bank. It is an extremely difficult problem, and if the hon. member knows of any simple solution to it I would be very happy to hear it. No one else in the world seems to have an easy solution. We are all doing our best to meet two problems, that of the refugees in India and also the condition of Pakistan itself and the conflicts that now separate the two parts. This is one of the most serious international issues the world has been faced with; we are doing our best in an attempt to arrive at reasonable solutions, and that is the best we can do.

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AIR CANADA

SERVICE FROM EASTERN CANADA TO SASKATOON—REPLACEMENT BY ANOTHER CARRIER

Mr. A. C. Cadieu (Meadow Lake): Mr. Speaker, I have a question for the Minister of Transport. In view of the fact that Air Canada is downgrading service from eastern Canada to Saskatoon, does the minister intend to take immediate steps to provide adequate service by another airline?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I would need to know the specific routes in question to see whether they in effect come within what might be described as the regional air policy, but the objective is to get better air service for all parts of the country.

Mr. Cadieu: Does the Minister of Transport intend to introduce regulations to prohibit the Prime Minister and other politicians from flying planes that have captive passengers aboard.

Mr. Speaker: Order, please.

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THE CENSUS

METHOD OF SENDING RETURNS TO BUREAU OF STATISTICS

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. It has to do with a question raised as a question of privilege by the hon. member for Churchill last week. In connection with the census which begins on June 1 can he explain to the House and to the people of Canada why all Canadians will not be allowed to send their returns directly to the department as will be done in cities?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have a note from DBS which says that either the mail-back or pick-up system by census representatives assures confidentiality, but the pick-up system is employed in localities where, for instance, the mail service is insufficient or telephone lines are shared, proving unsatisfactory for telephone follow-up when difficulties are experienced when completing the questionnaire before mailing it back. So the system is justified by very practical considerations and there is no discrimination here against any group in the process.

Mr. Howe: When these rules and regulations were drawn up did the minister have a discussion with his colleague in the next seat, the Postmaster General.

Mr. Speaker: Order please.

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EXTERNAL AFFAIRS

POSSIBLE MILITARY THREAT FROM UNITED STATES

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Acting Prime Minister. I would ask the Acting Prime Minister if he foresees any military threat from the United States?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. Perhaps the hon. gentleman would enlighten me.

Mr. MacInnis: Gladly, Mr. Speaker, and I must do it on a point of order in order to keep myself in order. I would suggest that the Acting Prime Minister keep up with the statement made by the Prime Minister while visiting Russia when he lumped together the cultural threat, the economic threat and the military threat from the United States.

Mr. Speaker: Order, please.

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POLLUTION

ARSENIC—TESTING OF WATERWAYS—PERMISSIBLE LEVEL IN FOOD AND EFFLUENT

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry. In view of recent reports that research in the United States on arsenic indicates it could be a highly dangerous pollutant if allowed to escape into lakes and rivers, could the minister indicate whether any department of government has undertaken any testing of our waterways for possible arsenic pollution and its effect on fish?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, some research work has been undertaken and the program is being stepped up.

Mr. Harding: Has the government set a schedule of permissible levels of arsenic in food for human consumption and have arsenic content standards been set for any effluent discharged into any of our waterways?

Mr. Davis: Mr. Speaker, I would certainly think so but I will make inquiries from the Department of National Health and Welfare.

Inquiries of the Ministry

THE CENSUS

FAILURE TO INCLUDE "CANADIAN" AS DESIGNATION OF ORIGIN

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. How does a Canadian answer the census question about his origin, and how many generations does it take for one to become a Canadian for statistical purposes?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, a number of things—

Mr. Speaker: Order, please. I doubt whether the question as asked is in order. The hon. member is asking the minister how many generations it takes to become a Canadian. I doubt whether a question asked in those terms is in order.

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FISHERIES

SALMON FISHING REGULATIONS—INQUIRY AS TO CHANGE—DISCUSSION WITH NEWFOUNDLAND GOVERNMENT

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Fisheries whether he has had any protest from the government of Newfoundland over the new salmon regulations, and in view of the invitation by Premier Smallwood to the Newfoundland fishermen to test the new regulations by defying the law with the support of the Newfoundland government, does the government propose to change the regulations or enter into some discussions with the Newfoundland government?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the new regulations were discussed with the Minister of Fisheries for Newfoundland. I had a personal telephone conversation with the Premier of Newfoundland last week about the regulations. I stressed to him that they were reasonable, that they would be enforced, that there were some misunderstandings, and that there are local appeal committees to deal with individual cases. I think the whole question is being exaggerated.

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I should like to direct a question to the Acting Minister of Justice. Is the Acting Minister of Justice considering reinvoking the temporary public order act to accommodate for the pseudo-violence of the premier as the election approaches in the province in Newfoundland in view of his statement that the fishermen of the province are advised to break the law and that legal counsel would be provided for them in the event they did so, despite the fact that this is sort of a ridiculous statement from a public official?

Mr. Speaker: Order, please.

[Mr. Davis.]

AGRICULTURE

FARM MACHINERY—PROSPECT OF MORE EQUITABLE PRICING FOLLOWING MEETING WITH MANUFACTURERS

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I have a question for the Minister of Agriculture. In light of the meeting held between the minister and representatives of the farm machinery companies last Friday relative to the Barber Commission report, can the minister indicate whether there may be any hope of a move toward more equitable pricing of farm machinery as a result of the Friday meeting?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I do not think I could say it would be directly as a result of Friday's meeting, but it was a useful meeting in that there were additional explanations given from both sides of the table respecting some of the findings and recommendations in the report.

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[*Translation*]

NATIONAL PARKS

MONT TREMBLANT—DISCUSSION RESPECTING POSSIBLE TRANSFER TO FEDERAL GOVERNMENT

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to address a question to the Minister of Indian Affairs and Northern Development.

As a petition is circulating in the areas surrounding Mont Tremblant Park in the province of Quebec requesting the nationalization of this park and as the member for Labelle approves of such an initiative, could the minister tell us if his department or himself are favourable to such a move and whether he has had discussions with his Quebec counterpart on the transfer of this park to the federal government?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, we have discussed with provincial authorities several possibilities in the province of Quebec. As to this particular project or any other, we are not in a position to reveal their characteristics at the present time.

Mr. La Salle: Mr. Speaker, I should like to put a supplementary question. Can the minister specifically tell us whether he has discussed that project?

Mr. Chrétien: I cannot say so, Mr. Speaker.

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I should like to put a supplementary question to the minister.

Since Mrs. Kirkland-Casgrain, the Quebec Minister of Tourism, has rejected that proposal, at least if we are to believe the newspaper reports, is the minister in a position to tell us whether it is a definite and official position of the Quebec government?

Mr. Chrétien: Mr. Speaker, I have not recently communicated with Mrs. Casgrain to discuss her statement.

[*English*]

THE CENSUS

METHOD OF SENDING RETURNS TO BUREAU OF STATISTICS—EFFICIENCY OF POST OFFICE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. A moment ago he explained there were large areas across Canada where the Post Office is so inefficient and ineffective that the census questionnaires could not be entrusted to it for delivery. Would he let the House and also the Postmaster General know what proportion of Canada is in that category.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was not saying that. I was saying that each return must be checked by regional officials of DBS and that the officials who are checking must be in a position to ask further questions and seek clarification very rapidly. If they have to wait for mail deliveries to be made, however fast they may be, in rural areas or if they have to use telephones which more than one person are using, it would be very difficult to maintain the confidentiality and have the returns on time. I was trying to provide a reasonable explanation, but I see my hon. friend does not want to be reasonable today, or at any other time for that matter.

Mr. Diefenbaker: Mr. Speaker, I have heard the reinterpretation of a statement that was capable of only one meaning, namely, that a large part of the Post Office service in Canada is out of order.

Mr. Speaker: Order, please.

Mr. Robert Simpson (Churchill): Mr. Speaker, the minister has stated that these returns will have to be checked by the staff of the Dominion Bureau of Statistics. How can he account for the information put out to householders who do not have to mail their returns to DBS but have to return them to the census commissioners for perusal by the census commissioner in each of the small localities?

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EXTERNAL AFFAIRS

INQUIRY AS TO SUSPENSION OF DEVELOPMENT AID TO PAKISTAN

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Acting Prime Minister and is really supplementary to a question asked by the Leader of the Opposition. Have Great Britain and the United States suspended their development aid to Pakistan and has Canada considered the same course of action?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker, I do not believe that any of the main donor countries have suspended their aid to Pakistan.

Inquiries of the Ministry

INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Postmaster General. In a recent letter to the minister in charge of the Post Office the minister stated that no compensation would be paid for parcels stolen from postal boxes in the Riverside and Walkley Road areas in Ottawa during the Christmas season. I want to ask the minister if he thinks the people of Canada should use the federal mail to send Christmas gifts, or is it the attitude of the government that it does not give a damn about the poor people in senior citizens' homes who are still waiting for some of their gifts?

Mr. Speaker: Order, please. That, of course, is not a question.

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FEDERAL-PROVINCIAL CONFERENCE

INCLUSION OF UNEMPLOYMENT ON AGENDA OF JUNE MEETING

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Acting Prime Minister in order to find out what the government's priorities may be. In view of the fact that before he left on his Russian visit the Prime Minister indicated that perhaps some arrangement could be reached between the provinces and the federal government to terminate the high unemployment that the country now faces, is this item now on the agenda, and has the federal government been involved with each province in order to use its influence to see that this matter is discussed?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the question was rather obscure. I think the hon. gentleman was asking whether this matter was on the agenda of the forthcoming federal-provincial conference. I believe the Prime Minister made it quite clear that if the provinces wished these matters to be discussed they could be added to the agenda, at the end of the agenda, so as not to supplant the discussion of constitutional reform which has made such great progress in recent months.

Mr. Alexander: Has the Acting Prime Minister received any direction from the provinces on whether or not this would be a proper course to follow and that because of its importance unemployment should be on the agenda?

Mr. Sharp: Mr. Speaker, I have not had any direct answer to this question yet. The Minister of Justice is just about to make a tour of all the provincial capitals to discuss preparations for the conference, and perhaps this will provide another opportunity for the matter to be discussed. But, as I say, the federal government is quite happy to have a discussion at the forthcoming conference on these matters, and I am sure they will be discussed. However, I hope the hon. gentleman will agree with me that constitutional reform, on which we have made quite extraordinary progress, should not be supplanted by any other subject.

Inquiries of the Ministry

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I wish to direct a supplementary question to the Acting Prime Minister. Does the government have any projects on the planning board to provide 100,000 jobs in the north?

Mr. Speaker: The hon. member for Waterloo.

Mr. MacInnis: Mr. Speaker, on a point of order, a question of privilege, or in whatever way this may be acceptable. During his visit to Russia the Prime Minister has made a statement to the effect that he is prepared to send 100,000 young Canadians north. I ask the Acting Prime Minister, on what projects?

Mr. Speaker: The hon. member for Waterloo.

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INDUSTRY

ELECTRICAL AND RADIO—RECOMMENDATION BY UNION OF REGULATORY BODY

Mr. Max Saltsman (Waterloo): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. Has he had an opportunity to conclude his examination of the brief of the United Electrical, Radio and Machine Workers of America, and can he say whether he is prepared to accept the union recommendation for the establishment of a regulatory body for that industry?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I met with the gentlemen referred to in the question and we had a discussion on these matters. I suggested that that particular recommendation would mark a very substantial change in the political and administrative set-up of the country, and I personally was not in a position that day to make a decision on that matter.

Mr. Saltsman: As a supplementary—

Mr. Speaker: Order. We have gone beyond the end of the question period, but perhaps with consent the Leader of the Opposition might be allowed to ask a question.

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EXTERNAL AFFAIRS

POSITION OF SOVIET UNION RESPECTING BALANCED REDUCTION OF ARMED FORCES

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I would like to ask the Secretary of State for External Affairs a question, one that I asked him last week following an indication that the position of Russia with regard to a balanced reduction of forces had changed in recent months. I asked the minister if he could indicate to the House what change there had been in the Russian position. He did not seem to know at that time. I wonder if he has since had an opportunity to find out, and is he now prepared to indicate briefly, in answer to this very important question, how and to what extent the Russian position with regard to a reduction of forces has changed?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, the attitude of the Soviet Union has changed. I regret I did not follow this up to get a sample of the kind of statements that were being made some months ago and those that are being made today to show the extent to which the position has changed, but indeed I think it is fair to say that there has been a notable advance in this field on both sides, and I do hope we can have some very fruitful discussions in Lisbon.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION ACT, 1970

PROVISIONS RESPECTING DEPARTMENTAL REORGANIZATION, MINISTRIES OF STATE, PARLIAMENTARY SECRETARIES, ETC.

The House resumed, from Wednesday, April 7, consideration in committee of Bill C-207, respecting the organization of the government of Canada and matters related or incidental thereto—Mr. Trudeau—Mr. Honey in the chair.

The Chairman: Order. When the committee rose on Wednesday, April 7, 1971, clause 14 of the bill, with an amendment proposed by the President of the Treasury Board, was being considered. The amendment is as follows:

That Bill C-207 be amended by striking out lines 22 and 23 on page 9 thereof and by substituting therefor the following:

"the Governor in Council may, by proclamation, subject to negative resolution of the House of Commons, establish a Ministry of State for that"

Shall the amendment carry?

Hon. C. M. Drury (President of the Treasury Board): Mr. Chairman, the proposed amendment has been the subject of discussion between the house leaders of the various parties and has resulted in an order of the House, which was adopted last week, providing for a rather different dispensation than is indicated in this particular amendment. With the permission of the committee I would withdraw the amendment and propose another one in its place.

The Chairman: Is it agreed that the President of the Treasury Board has permission to withdraw the amendment?

Some hon. Members: Agreed.

The Chairman: It is so ordered.

Amendment withdrawn.

• (3:00 p.m.)

Mr. Drury: Mr. Chairman, I should like to move then, in lieu of that particular amendment, the following:

That Bill C-207 be amended

(a) by striking out clause 17 on page 6;

(b) by renumbering clause 18 as clause 17; and

(c) by adding thereto immediately after clause 17, as so renumbered, the following clause:

18 (1) An order in council authorizing the issuance of a proclamation under section 14 or 16 shall not be made until the proposed text of the order in council has been laid before the House of Commons by a member of the Queen's Privy Council for Canada and the making of the order in council has been approved by a resolution of the House of Commons.

(2) Where the proposed text of an order in council has been laid before the House of Commons pursuant to subsection (1), a motion in the House of Commons proposed by a member of the Queen's Privy Council for Canada in accordance with the rules of the House, praying that the making of the order in council be approved, shall be debated in the House for not more than seven hours, after which time the question shall be decided in accordance with the rules of the House.

The Chairman: Shall the amendment carry?

Some hon. Members: Carried.

Mr. Baldwin: Mr. Chairman, I wonder if I could have a copy of the amendment?

Mr. Drury: I apologize for the absence of copies, Mr. Chairman. They should have been here and I am sure they will be along in a moment. The proposed wording I hope does give effect to the order the House adopted last week.

Mr. Baldwin: Yes, Mr. Chairman, having listened to it I think it does give effect to an understanding reached through the usual channels with regard to the terms of various amendments which were to be made. For the sake of facilitating debate, because I am sure there will be a little discussion on these matters on clause 14, and since the amendment deals with the deletion of clause 17 and the substitution of another clause, I hope that we might be allowed to deal with Part IV in total. We were following this course at the time of adjournment, and I am just asking for a continuation of that practice.

We opposed this bill for a number of reasons, Mr. Chairman. My hon. friend from the Atlantic provinces opposed the part of it which dealt with the deletion of the word "fisheries" but I will not go into that now. We opposed those parts of the bill which gave the right to create a large number of newly minted and paid officials of the government who would be drawn from this House, because we felt this would create difficulties which I will go into later when discussing another part of the bill.

We also, and this is most important, opposed the right of the government to create ministries of state at their own free will, to change those ministries, to abolish them and create new ministries in their place. It was our view, and one which resulted in this party providing substantial opposition to the proposal, that this did away with what must be one of the most important aspects of the continuance of democratic government, that of parliamentary supremacy. To a large extent this amendment does away with this repugnant feature of the bill. While it is not perfect, I think we can accept it on the basis on which it is offered. We never get everything we want, but we felt that the discussions which took place were on a very fair level and an opportunity was given to all parties to express their viewpoint.

These negotiations carried on from April 7, the last day on which this bill was before the House and, in spite of what the Prime Minister had to say on some other occasions in this House, they were genuine, continuing discussions and negotiations in an attempt to work out a compromise. It was felt that the opposition should not be compelled to give up something which in our opinion was exceedingly important, that is, the right of Parliament to be supreme on issues of this kind but there was also the need of any government from time to time to rearrange its various portfolios and ministries as it should feel them best adapted to the needs of the day.

This illustrates the course which the opposition can take; it can oppose reasonably and vote against certain measures. As a matter of fact, before this bill is through it is our intention, in the limited time left, to oppose and vote against certain aspects of the bill. It is inherent in the opposition, and in fact it is part of its duty, to oppose measures which are repugnant, especially measures which strike at the heart of parliamentary democracy, namely the right of Parliament to be supreme. It should oppose measures of that kind to an extent and, if necessary, for a period which would permit the people of the country to be aroused and alarmed at what any government could attempt to do.

There is no doubt that the very first speech made from this side of the House by the hon. member for Halifax-East Hants and the first speech that I made in this House on this matter, made it absolutely clear that with respect to this aspect of the bill there would be the most formidable and the most pertinacious opposition. I refer to that part of the bill which gave to the government the right to make those changes, to create new ministries and new departments without recourse to Parliament. When the government proceeded, therefore, they knew what they were facing. I am glad that we have reached this sort of arrangement. It is essential for those who criticize and claim that Parliament is failing, that it is not doing its job, to realize that, as a result of honest discussion, an accommodation was reached whereby the opposition parties where able to find a way to secure acceptance of the principle of parliamentary supremacy. The government, in due course, will be able to secure passage of those parts of the bill which it considers necessary for proper functioning and administrative efficiency. The order made provides for this.

We had some very difficult discussions and some compromises all the way around. I give full credit to my hon. colleagues the President of the Privy Council, the hon. member for Winnipeg North Centre and the hon. member for Lotbinière, as well as those who have been associated with reaching this compromise. It might have been difficult with another person as government House leader, but in this case it worked out quite effectively.

• (3:10 p.m.)

Before concluding and giving others an opportunity to present their points of view, I wish to say something else. Over the last few days we have heard quite a lot about the defects of parliamentary government. We have heard something of the failure of the opposition to do its duty resulting in the necessity for backbenchers on the government side of the House to fill in and do the job. That suggestion bears right on this issue, Mr. Chairman. The hon. member for Trinity, the hon. member for Duvernay, the hon. member for York West—I think it is—and the hon. member for Esquimalt-Saanich have been extremely vocal on this particular matter. I have examined the record of the debate on this bill and those hon. gentlemen who have had much to say about the defects of the Opposition have been silent on some matters. Not one of them stood up to defend the right to parliamentary government and the necessity for this chamber to be supreme. Not one of them, and these remarks apply to other bills that have come before the House, stood up in this chamber and defended the need for an auditor general who would be free and independent and report to this House as a free and independent agent. Not one of them stood up when amendments were moved in an attempt to secure passage of the statutory instruments legislation. I just mention these facts in passing, Mr. Chairman. It is about time some of those hon. gentlemen who are so vocal put their votes where their mouths are.

Some hon. Members: Hear, hear!

Mr. Baldwin: When hon. gentlemen see fit to oppose the role of the opposition, they ought to bear in mind that the opposition brought about a reasonable termination of a difficult debate on a difficult bill. I hope hon. gentlemen opposite will bear that well in mind in future. That is all I have to say about that.

We accept the amendment. The amendment offered now is a good amendment. It has been offered in the proper form, and not in the form originally offered by the minister. Our problem is, as the Chair will realize, that at present there is not in our Standing Orders a definition of affirmative and negative resolutions. Ultimately, when the regulations of the statutory instruments Act and the terms of reference of the scrutiny committee are agreed to, there will be those definitions.

At present the amendment provides that there shall not be established a ministry of state unless and until a proclamation has been laid on the table of the House and there has been opportunity to debate of some seven hours or less. That, I hope, will permit hon. members who feel that the department should not be created, or that it should be created in terms other than those proposed in the proclamation, to express their point of view. Then, if they feel that the proposal should be changed, they can urge changes upon the government. The amendment provides, in the final analysis, that the initiation ministries of state is the responsibility of the government, but their final creation is the responsibility of parliament. I think the amendment is good.

I do not object to the other amendment with regard to the deletion of that clause limiting the number of such ministries to five. The government has that power now. If the government wishes to create any number of new departments, it has the right to do so. It must do so by bringing in legislation. Perhaps this is a simpler and more efficient way of dealing with the matter, provided that it is done by proclamation and that the proclamation is laid on the table of the House. It is true that if this were done by legislative proposal there would be the usual opportunity for hon. members in opposition to propose changes and alterations and to move amendments.

I hope, Mr. Chairman, after this amendment has been passed, as I assume it will be, that if at some time in future ministries of state are created, apart from the two which are the subject of the House order, there will be full discussion and debate when the matters come into the House and that the Chair will look with some leniency upon any attempt by opposition members to amend motions of this kind. I know that the Chair cannot decide in advance what course of action it will take, be just as hon. members of the House do not know what their course of action will be. I hope, however, that a proclamation setting up in some detail establishment of a ministry of state will be susceptible to reasonable debate in this House and to reasonable amendment. That would take the place of a statute. Its terms of reference may be fairly difficult and complex and those hon. members who want to make suggestions and alterations should have an opportunity of doing so. I simply file that as a caveat. Perhaps we shall have to wait for one or two years before we have an opportunity to test this.

Having said that, I repeat that I am glad to see this amendment. I am glad to see it introduced through cooperation and understanding, and I am glad to see that it underlines the fundamental principle which we in this House should never forget: that, since we are the representatives of the people of Canada, the final say on matters of this kind should always lie in this House.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, as I read this amendment, it implements to the letter the agreement worked out by the House leaders with respect to this phase of the bill. We, therefore, are happy to indicate our support of the amendment and will vote for the clause as amended in this respect.

I do not wish to engage in any contest with my good friend the hon. member for Peace River as to who fought the hardest against the unlimited powers that were contained in this bill before the amendment was proposed. May I just say that the record is clear that members of this party made it equally clear that we could not accept an arrangement that would have added, as this bill did, to the enormous powers of the Prime Minister. The hon. member for Nanaimo-Cowichan-The Islands and the hon. member for Selkirk spoke on this matter, and so did I in the course of my remarks on second reading. We made our position very clear. We said that one of the things wrong with Parliament at present is that too much power is being put into the hands of one man, and we simply could not countenance this addition to that enormous

power. Statements about the power of the Prime Minister have been made in recent days by hon. members sitting to the right of the Chair and, indeed, by one or two who have been pretty close to the citadels of power and who were aware of what they were saying.

Before this amendment was proposed, this bill gave the Prime Minister complete power to set up ministries of state with ministers presiding over them, in other words new departments of government, without any reference to Parliament whatsoever. Under this amendment that situation has now been changed. Any new departments, which is after all what there would be if we set up ministries of state with ministers presiding over them, can be established only after there has been the explicit approval of Parliament after debate on the floor of the House of Commons.

I am glad that the amendment refers not only to proclamations under clause 14 but also to proclamations under clause 16. Clause 14 is the one under which a new minister and ministry of state can be established. Clause 16 is the clause under which the name of a minister or ministry of state can be varied. It would have been unfortunate if clause 16 had not been included. Therefore, Mr. Chairman, there is no need to spin out this debate. We support the amendment.

• (3:20 p.m.)

We on this side are being very modest. This could be a time when we could jump around and say how we have won the battle which the opposition has waged. The fact is we are pleased. I think there will go down in history the words that the President of the Privy Council used when he referred the other day to the retreat that had been made on his side. He said it was a retreat that he enjoyed. We are all happy. We have reached agreement. That is fine. Let us support the amendment and get on to the other clauses of the bill.

There was one statement by the hon. member for Peace River that I would like to amend slightly. He spoke of this amendment giving to those in opposition the right to have the last word as to whether the government sets up a new ministry of state. May I just say that this amendment places that right where it ought to be, not just in the hands of the opposition, but in the hands of Parliament. We are pleased to note the growing uneasiness among members who sit to Your Honour's right over the power of the government. I think members on that side are as happy as we are that the battle was sustained and that the House leaders got together and reached an accord so that we now have a provision under which this attempt by the Prime Minister to add to his enormous powers has been clipped. Therefore, Mr. Chairman, we welcome the amendment. It will have our support.

Mr. Baldwin: I rise on a point of order, Mr. Chairman. I inadvertently referred to the hon. member for York Centre. I want to give credit to all members by correctly stating their constituencies. It was the hon. member for York West I had in mind when I referred to members who should put their votes where their mouths are.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

The Chairman: The question is on the amendment.

Amendment agreed to.

Clauses 17 and 18, as amended, agreed to.

The Chairman: Shall the committee revert to clause 14 under this Part?

Some hon. Members: Agreed.

The Chairman: The committee now has for consideration clause 14.

Clause agreed to.

Clauses 15 and 16 agreed to.

Clauses 19 to 22 inclusive agreed to.

On clause 23—*Other Ministers of State*

Mr. McCutcheon: I wish to direct one or two questions to the minister in connection with clause 23. In all of this discussion, there has been no mention of the tremendous increase in cost for these extra ministers. I would like to throw out one or two thoughts that I have on this subject. Possibly the minister can comment on these.

At this moment there is a proposition before the House with regard to increased salaries of Members of Parliament. Why is so much weight given to the suggestion that another minister is going to be appointed? Why is this necessary as far as the salary range is concerned? If the increase in the salaries of Members of Parliament is approved, this should be adequate. The government might take a lead from industry in this regard and give these individuals the title and authority without the additional salary. These ministries could be used as a training ground. If the individuals can cut the mustard, they could be advanced to full status. Here is an opportunity for the government to save a little money and at the same time recognize budding talent, but that budding talent should prove itself in the same way as is done in business. I just throw out this suggestion for the minister's comments. Why would something of that order not be favoured by the government? Why should a person be more important just because he is drawing an extra salary?

Mr. Drury: In answer to the last question, which I understand to be why should a man have greater importance just because he is drawing extra salary, I think it is generally acknowledged in both the private and public sectors that remuneration should be provided adequate to the responsibilities which a man is being asked to discharge. In our kind of social economic environment, we normally measure by differential in salary, the difference in responsibilities and the onerousness of the duties the man is going to have to carry out.

I do not think the hon. member will argue that the responsibilities which the nominated ministers of state

will be called upon to perform are greater than those of the ordinary otherwise not specially rewarded Member of Parliament. Therefore, there should be some supplementary stipend over and above that of an ordinary member of the House of Commons. Undoubtedly, one could say that although they will have additional responsibilities, they will also have additional dignity and this additional dignity should be adequate compensation. I am not sure that this is in line with our general philosophy of rewarding a man in monetary terms commensurate with his responsibilities. Therefore, I cannot accept the suggestion that we would save money by merely suggesting to the ministers who are appointed that they should accept the additional responsibilities and regard the added dignity which is attached to the position as adequate compensation.

Mr. Baldwin: Mr. Chairman, I would like to ask the President of the Treasury Board one or two questions on this issue. I will probably have more to say after the minister answers. I do not mean that as a threat. I would like to know just what the intentions of the government are with regard to the cabinet structure. At the present time there are ministers who are responsible for a department and who report to the House accordingly. There are also ministers without portfolio. In future there are to be two new positions, ministers of state who will be responsible for a ministry of state and ministers of state who will be responsible for assisting other ministers. In other words, four classes of minister will be on the executive council. To what extent will each share in the decision-making process? Is it the intention to adopt a new cabinet structure making provision for a small, inner cabinet?

• (3:30 p.m.)

I have in mind, of course, the remarks made by the hon. member for Trinity who is most concerned about this aspect. Some of the rest of us are concerned about it as well. What will be the ranking of the cabinet in future? What is the general intention? These are questions of some consequence, because I do not think it can be said that the administrative competence of the government has been so high that the House can afford to pass a measure of this kind without inquiring in detail as to the government's intentions. I am particularly interested in the ranking and duties of these ministers. I know that these duties are to some extent outlined in the legislation. But what are the government's intentions? Are they strictly honourable?

Mr. Drury: With regard to the last question, I can answer it very shortly and very positively. Yes. There has probably been sufficient indication given concerning the functions and the place of these new ministers to enable me to answer the other questions.

As far as ranking is concerned, they will all be members of the Queen's Privy Council when appointed and will rank according to the rules of precedence of that body. They will, in accordance with our current convention, be members of the cabinet as are all ministers. To the best of my knowledge there has been no plan announced to form different levels or tiers of cabinet. As I believe the House is aware, the Prime Minister has endeavoured to decentralize the work of the cabinet and make it more effective by providing for particular consideration of most areas by small groups of ministers, cabinet committees, prior to decision-taking or resolution by the cabinet as a whole. The ministers to be appointed ministers of state with a ministry, or ministers of state without a ministry, or ministers without portfolio will fit into that pattern and it is not proposed to establish different levels of cabinet.

The duties of these ministers are outlined fairly well in a general way in the proposed legislation. In the case of ministers of state, they will be appointed to preside over a ministry of state and they will fulfil duties similar to those of ministers with departments for whose supervision they are responsible. The nature of those responsibilities will be indicated either in the form of a draft bill in the case of a department or by way of a draft order in council in the case if ministers of state.

I hope this explanation will enlighten the hon. gentleman sufficiently for him to be able to see that there is no new revolutionary process contemplated here.

Mr. Baldwin: I shudder at the words "revolutionary process" used by the President of the Treasury Board because I must say, honestly and objectively, that the cabinet changes so far introduced by the Prime Minister have been nothing less than a complete disaster.

Some hon. Members: Oh.

Mr. Baldwin: When we look at the results, it is. I am not talking about the personnel, those who have been promoted, or who have kept their positions. I am talking about the administrative incompetence we have observed from this side of the House. I do not know about hon. members sitting on the back rows opposite. Since they see only the backs of the ministers perhaps they do not observe what we observe over here. But as far as we are concerned, the changes have been nothing short of disastrous and I intend to prove this statement beyond a shadow of a doubt. The blundering, the stumbling, the over rigidity of the cabinet committee structure, the examples of ministers falling over each other's feet, the duplication, triplication and quadruplication of ministers' responsibilities, the lack of liaison, and so on have been astonishing. It is necessary for me to establish this statement because the intentions of the government are still in doubt. The President of the Treasury Board told us he did not know how many new ministers would be appointed. My guess is that there will be quite a number.

When the apologists for the government start on their work they talk, because there is nothing else for them to say, about the marvellous efficiency of the present administration. That is absolute nonsense. When this session opened on October 8 last year His Excellency referred to a number of measures which the government intended to put forward. These were subsequently outlined in greater detail by the Prime Minister when he gave a list in the House of some 68 measures which were

to be the subject of legislation. Some would necessitate more than one bill. In addition to this list, which can be found in *Hansard* of October 8 or 9, a number of further measures were mentioned. So at least 75 legislative proposals were, probably, to be dealt with by Parliament.

What has happened? I have compiled a list of the legislation which has been dealt with in the House from October 8, 1970 to April 7, 1971, when the Easter recess began. I have chosen these dates because an examination of the period they comprise will support beyond doubt my allegation of gross administrative ineptness on the part of the government. I have looked up the length of time taken on each bill. There were two measures which took considerable time. One is the bill before us today. I shall not go into that now; we have had our debates on that subject and the reasons have been clearly set forth. I see the Postmaster General nodding his head. He agrees with me, I think, that there are good reasons for the length of time our discussions have taken. Another measure upon which a great deal of time was spent was the public order emergency legislation. I will simply remind hon. members that the Minister of Justice, introducing the bill, launched an attack of considerable severity against the New Democratic Party. It was his right to do so, but he exercised it in such a way as to ensure there would likely be a long and bitter debate, as in fact was the case.

• (3:40 p.m.)

Excepting those two bills, what has been the situation? From October 8 to April 7, 16 bills were passed which took approximately one day or less. Six bills took approximately two days or less, two bills took between three and five days and then, of course, there were the other two bills I have dealt with, the Public Order (Temporary Measures) Act and this particular bill. So this House did its job on the measures which it received.

What has happened to the rest of the bills? Some were introduced in the other place and some here, but by April 7 to my recollection there were at least 20 measures which it had been indicated by the government, through the lips of His Excellency, were essential to the proper social and economic progress of this country but which had not yet seen the light of day in this House. Some were important bills that have not yet been introduced. However, over 20 had not been introduced into this House at that time, including the established programs (interim arrangements) act, the pilotage legislation, a bill respecting the maritime code, a bill to amend the Combines Investigation Act, the resource administration legislation, a bill to amend section 51 of the British North America Act, the computer facilities ownership legislation, a bill to amend the Immigration Appeal Board Act, a bill to amend the Criminal Code (right to privacy), a bill respecting the security review board, a bill to amend the Citizenship Act, a bill to amend the Bankruptcy Act, a bill to amend the National Parks Act, a bill respecting cigarette advertising, a bill amending the Food and Drugs Act and the Narcotic Control Act, a bill to amend the Representation Commission Act, and the ports legislation, which may have been introduced in the other place, though I do not think so.

An hon. Member: What about Bill C-176, the marketing act?

Mr. Baldwin: But for the stupidity and obstinacy of members on the other side of the House, this bill has not got as far as it should. Because of confusion among the members of the cabinet and divisions of opinion, because of the proliferation of cabinet committees, and because of all these other things that can be characterized as nothing but gross administrative incompetency, none of these measures that I have mentioned had seen the light of day by April 7. Surely, any reasonable body of hon. gentlemen charged with the administration of this country should introduce on the first day of any session those measures which they say are necessary, in their opinion, for the well-being of this country. Each bill should be prepared and available in printed form. It is not as if many of these were new measures. I have heard the need for some of these bills kicked around the halls of this place for several years.

I suggest to the Prime Minister that when he takes advantage of this legislation to establish new ministries of state and to appoint new ministers of state he should look very carefully at the system he has created, one which as far as this House is concerned is a nightmare. I also think it is about time that the Prime Minister and his friends took a look at the cabinet structure and called in some parliamentary, government and efficiency experts to revise these procedures so as to produce a simple legislative form, and to have available on the first day of any session all bills they needed for the session. Then Parliament will have ample time to study the measures in question.

I think we can take parliamentary notice of the fact that owing to the house committee system there are problems in this House. I am not going into this subject any more; enough has been said and it will probably be brought forward again on other occasions, hopefully in the procedure committee. But as a result of the committee structure that is inflicted upon us and a lot of other difficulties that have been created, it is absolutely essential for the effective administration of this country and for the handling of the affairs of Parliament that bills be ready for presentation on the first day of every session and be introduced and given first reading at that time. This will give members of the opposition as well as members of the public, who after all are far more interested in them than anybody else, ample opportunity to examine and consider them and to promote public debate upon them.

If this is one, then after these bills are introduced in the House there will be adequate opportunity for reflection, for consideration to be given to them, thus enabling the kind of debate that should take place. I say this in all kindliness. Although there are some members of the cabinet and in the government party who believe this, I know the trouble stems from the office of the Prime Minister

itself. I am in good company; some members on the other side of the House have in recent weeks seen fit to support our views in this regard. The problem lies with the rigid approach of the Prime Minister to the question of securing parliamentary approval of the legislation that is required in operating the affairs of this country.

I hope these remarks will be considered by the right hon. gentleman and his colleagues. Let me say the government has a sorry record in its dealing with this House and Parliament and in its attempts to secure the approval that it should have, after adequate debate and discussion, of measures because they have not been exposed in ample time to enable everyone to be well informed about them. This has not been the case ever since this Parliament met, and it certainly has not been the case during the course of this last session.

I now take my seat, having uttered those words in the spirit of utmost kindness and I hope they will be taken into account and heeded by the govenment. If there are some hon. members on the government side who are anxious to spring to the defence of the government as a model of administrative efficiency, then let them do so. If they do not, we must take it that they have some of the same doubts that I have.

Clause agreed to.

Clause 24 agreed to.

Clause 13 agreed to.

The Chairman: I might ask the committee for advice at this point. We have completed Part IV. We could now go to Part V or revert to section 2, to which an amendment is outstanding. Is it the consensus of the committee that we deal with Part V?

Some hon. Members: Agreed.

On clause 25—*Maximum numbers.*

The Chairman: Shall clause 25 carry?

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, you really did not think that clause 25 was going to carry as easily as all that, did you?

Mr. McCleave: Why not? Hope springs eternal around here.

Mr. Knowles (Winnipeg North Centre): The present arrangement is that the number of parliamentary secretaries in existence at any one time shall not exceed 16, which I think is pretty generous. I do not see why we should extend this number to a number that is even beyond what we think it might be. If clause 25 passes we may well be authorizing 28 or even 30 parliamentary secretaries. I suppose there will be that many votes for the clause on the other side of the committee, but nevertheless we think that the legislation should stay the way it is. Therefore, when debate on clause 25 has concluded we should like a vote on the clause so that all those who want to maintain efficiency in government and to keep down expense will be able to vote against the clause.

Mr. Baldwin: Mr. Chairman, the hon. member for Winnipeg North Centre has said succinctly what I would have said in much more extended terms. There is, of course, a place for parliamentary secretaries, and I see the hopeful looks and gleams in the eyes of hon. members sitting opposite. I would judge that the discipline of the Whip was not needed this afternoon in view of the number of hon. members sitting opposite hopefully awaiting an accolate. I see hon. members there who might well grace the offices of parliamentary secretary. I only repeat what I have said before. There now can be by the Act 28 parliamentary secretaries.

• (3:50 p.m.)

Mr. Knowles (Winnipeg North Centre): If this passes there might be 28 or 30.

Mr. Baldwin: There might be 28 or 30, but there are 28 now. There are 28 existing ornaments of the Privy Council, with two more appointments possible, plus an unknown number of ministers of state who will be operating in assisting capacities. I must say that I shudder for the future of this country.

Mr. MacEachen: This is an "exparticipatory" democracy.

Mr. Baldwin: I simply want to file a caveat so that at the commencement of the next session when I get up and say I told you so, and there will be opportunity to do that with the action or the lack of it on the part of this government, I will have at least laid my cards on the table. Under the circumstances, I think we have no alternative but to vote against this particular measure.

Mr. Bell: Mr. Chairman, the remarks of the hon. member for Peace River lead me to ask whether the government will give an assurance that we can expect a little more from these parliamentary secretaries than we have been getting. I have been in opposition for quite a while, and I am tired of this silly and subservient attitude of some of these parliamentary secretaries. They should be given more responsibility in order to force them into action, or they should be told that if they are to continue in their jobs Parliament expects more from them.

I speak with a great deal of authority on this matter of parliamentary secretaries. I was appointed a parliamentary secretary in 1958 when a certain other government took over, and in 1962 I was still a parliamentary secretary.

Mr. Baldwin: And a good one, too.

Mr. Bell: I know it is very hard to get a promotion as a parliamentary secretary, and unless we do a little more for these positions we will all suffer here in Parliament. As everybody knows, we are having difficulty manning committees. I do not see why some of these parliamentary secretaries could not be induced to take the 18 minute walk to the West Block to attend some of these

committee meetings. I know they would not contribute very much, but at least their bodies would be there and could be counted in order to make up a quorum. If we press on with this measure, I think some responsible member of the government should give us full assurance that a real effort is going to be made to get these parliamentary secretaries moving. I have in mind the existing ones, those who will probably be removed and those who will be promoted.

Mr. Stanfield: Mr. Chairman, I had hoped I might be enlightened here this afternoon about something that has intrigued me. The Prime Minister, when talking in Kiev, referred to the similarity between the system of government in that country and in Canada.

Mr. Knowles (Winnipeg North Centre): That is what bothers us.

Mr. Stanfield: I rather imagined that as a result of that, this bill might have been held up until the Prime Minister returned to suggest certain amendments in light of his experience.

An hon. Member: Do you want to go to Siberia?

Mr. Stanfield: I must say that the Prime Minister's remarks were a little obscure. I had hoped the Acting Prime Minister, with his great precision and facility for enlightenment on questions of this sort, would have risen in his place this afternoon and explained what this was all about, and whether in fact the Prime Minister has made a great discovery while abroad, and whether this bill, if passed in its present form, will be satisfactory to the right hon. gentleman when he returns.

Mr. McGrath: Mr. Chairman, I should like to support the contentions voiced by the hon. member for Saint John-Lancaster in respect of committees. I should like to draw to the attention of the committee, especially the government House leader, that while we are discussing this important clause dealing with parliamentary secretaries, there is a meeting taking place of more than one standing committee of the House which would naturally require the attendance of parliamentary secretaries since they are supposed to be exemplary members of the House. They, being dedicated members of the House, I imagine want to support the committee.

Today's *Votes and Proceedings* indicates that the Committee on Finance, Trade and Economic Affairs was to meet today at 3.30 p.m. One of the hon. members to appear before that committee is the Parliamentary Secretary to the Minister of Finance. This is regrettable because I am sure he would like to be in the House during the discussion of this important clause of a bill which deals with parliamentary secretaries.

The Committee on Labour, Manpower and Immigration was to meet today at 3.30 p.m. I am sure the presence of the hon. member for Burnaby-Seymour, who is the Parliamentary Secretary to the Minister of Labour, is required at that meeting. I am sure there are other committees meeting today. Some met this morning, and I am sure they are continuing those meetings this afternoon.

I have raised this point before and I do so again. Obviously, some action must be initiated by the government House leader to assure the proper organization of committees so that they do not sit while the House is sitting. If committees must sit while the House is in session they should only sit for a very good reason. In other words, there should be an urgent or pressing matter, or a very important bill to be discussed. These should be the only reasons for granting permission to committees to sit while the House is in session.

Let me suggest also to the government House leader that it is about time we defined the rules of the House for the benefit of standing committees. Committees are governed by the rules of the House of Commons, and in my view this must preclude standing committees of this House sitting and hearing evidence without a quorum. This practice has crept into our standing committees and it is one which should be stopped. On many occasions witnesses have been heard when only four members of a standing committee were in attendance. This is a ridiculous situation, and under these circumstances the committee is not legally in session. I note that Your Honour is about to rise. I have just about concluded this part of my remarks and I ask your indulgence for any transgression on your patience and charity.

In dealing with this clause of the bill, I should like to ask the President of the Treasury Board whether it is the intention of the government to continue the practice whereby parliamentary secretaries are appointed for only one year. I should like to see a return to the practice under which parliamentary secretaries are appointed at pleasure, the same as members of the cabinet.

Mr. Baldwin: You should say at leisure.

Mr. McGrath: I say that out of the very high regard, respect and sympathy I have for some former parliamentary secretaries who are outstanding members of this House, many of whom are good friends of mine. I think the fact that most of their appointments were not renewed by the government will place them in a very difficult position in their constituencies, as, it has in this House. Off the top of my head, I can think of members of the House such as the hon. member for Essex, who was Parliamentary Secretary to the Minister of Fisheries, the hon. member for York Centre, who did such an outstanding job as Parliamentary Secretary to the Prime Minister, and the hon. member for Victoria who did such a fine job as Parliamentary Secretary to the Minister of National Defence. We wonder why it was necessary to make these changes. Perhaps it is about time we seriously considered the proposition of reverting to the original system whereby parliamentary secretaries were appointed at pleasure in order to avoid members of the House being embarrassed by not having their appointments renewed by the government. I ask this question of the President of the Treasury Board in the hope that perhaps he can enlighten the committee on it.

• (4:00 p.m.)

Mr. Baldwin: Mr. Chairman, while the President of the Treasury Board is reflecting on that—

The Deputy Chairman: Order, please. Is the hon. member rising to ask a question?

Mr. Baldwin: No. I am sorry, Mr. Chairman, I yield.

Mr. McCutcheon: Mr. Chairman, I have listened to the debate and since I receive answers every time I ask questions of the minister, I should like to impose again on his good nature. We are now to have regular ministers as we know them today. Then, we are to have ministers of state and parliamentary secretaries. How many persons will this involve; how many government members will be involved? Will there be 65 or 70 people, or how many? We do not have that answer. Another question which came to my mind was alluded to by my colleague, the hon. member for St. John's East. It concerns the appointment of these people for a full term. Although it would depend on the minister's answer, I can see difficulties in the future. It seems to me the government is making its decision on the basis of the present membership in the House of Commons. If as I suspect there will be 65 or 70 people on whom hands are laid, this will mean there will be 80 to 85 left out. In 1963, and again in 1965, the government members numbered only 133 or 134.

If a similar situation were to develop—and I believe it could develop pretty rapidly—will we still play musical chairs? The point is this that in a House in which the government party had fewer members there will not be much choice after the cream has been taken off the top; not much material will remain. So, I am led to believe the government is really not looking for talent particularly but for a possible means of rewarding the faithful. I wonder if the minister, in his good natured way, would answer the question I threw out at the start of my remarks.

Mr. Drury: Mr. Chairman, there are two questions to be answered. First, the hon. member for St. John's East suggested that henceforth we should, as he put it, revert to the old practice of appointing at pleasure and that in some fashion this would relieve an assumed embarrassment to the parliamentary secretary whose pleasure, if I might put it that way, was not continued. At the present time the appointments are by the administration at pleasure for no statutory or fixed term. As the Prime Minister indicated when the most recent changes were made, rather than attempt what might be invidious judgment as between one group or class of parliamentary secretary, none of those who had served for a full year's term would be re-appointed and consequently failure to re-appoint could carry with it no connotation of unsatisfactory performance which might otherwise be the case if there were selections or choices made.

The Prime Minister indicated quite clearly that the reason for doing it in this way was to provide more experience for those Members of Parliament who, if they had to continue throughout the entire session as backbenchers without specific responsibility, perhaps would be denied both further experience and training and also an opportunity, if one can use the term, to prove their worth. In addition, judgment could be made of their likely potential. While the present system does result in some unuse of undoubtedly demonstrated talent, I think on balance it would probably be better to provide a wider range for experience than would be the case in respect of the appointment of a parliamentary secretary in an onward and upward fashion irreversibly.

One might also suggest that the govenment of Canada might profit from what has been the practice in the United Kingdom, and indeed in France, of members entering the ministry or the cabinet for a period, leaving the cabinet for a period and then coming back again. In our country, for some curious reason, it has been assumed that once a man leaves the cabinet there is the likelihood or practice that he will never come back. Perhaps more movement in this direction would be good in the general interest. The fact of the matter is we have not come around to accepting this idea. It is still the case that ministers leave the cabinet if they wish by way of resignation either because this is evidence of disagreement with the government or because they are getting out of the field of Parliament altogether.

The hon. member for Lambton-Kent wanted to know how many members on the government side would be involved in the provisions of the proposed legislation in parts IV and V. The answer to that is imprecise. We now have a number of ministers, some of whom preside over departments and some who are without portfolio. The number presiding over departments is now limited by legislation to the number of departments decided on by legislation and this will continue to be the case in the future. Perhaps the hon. gentleman is asking me to forecast how many more or how many new departments the government might be desirous of putting forward in the interests of better administration, and at the same time to forecast how many existing departments will be either amalgamated or discontinued altogether. It is rather difficult to forecast that until we know a little better how the country as a whole is going to evolve.

• (4:10 p.m.)

There is now no limit on the number of ministers without portfolio. The number of ministers appointed to this category depends on the needs of the government in responding to the particular needs of the country at the moment, and this will continue to be so, the difference perhaps being that in addition to departments of government established by formal legislation there will also be ministries of state established from time to time, also subject to parliamentary approval, according to the amendment we have been discussing today.

In addition to Ministers without Portfolio, which hitherto have been a prerogative of the Crown, there will be a new and rather more specific class of ministers, but in other respects essentially the same, namely ministers of state without designated ministries over which they preside. The number will depend on the administrative needs of the country from time to time. I am afraid that I cannot really be any more precise than that.

Mr. Knowles (Winnipeg North Centre): For just a moment, Mr. Chairman, may I pursue the arithmetic that

has been the subject of discussion in the last little while, by pointing out that we would be buying a pig in poke if we were to endorse a clause which says that the number of parliamentary secretaries can be the equal of the number of ministers who hold offices for which salaries are provided in section 4 of the Salaries Act. We do not know how many there will be. It could be quite large if that number increases. However, the point I wanted to raise is in the form of a question I would like to put to the President of the Treasury Board.

I should like to ask the President of the Treasury Board whether there has been any study—and I have in mind an academic, philosophical study, not just a legalistic approach—into the question of what this does to the concept of the independence of Parliament? As I am sure the President of the Treasury Board is aware, there are a number of sections in the Senate and House of Commons Act which have over them that title "Independence of Parliament." The general theme of the sections that come under that heading is that persons cannot hold offices of emolument under the Crown and sit as members of the House of Commons, and there are parallel provisions for members of the Senate. We have amended the legislation a dozen times to meet this principle.

Once upon a time when a member was appointed to the cabinet following a general election, he had to resign his seat and go back and get elected again in the constituency that elected him on general election day. We abolished that by putting a specific section in the Senate and House of Commons Act which says that nothing in this act renders ineligible any persons who hold certain cabinet posts, and they are all listed. We have other provisions to make it legal for persons to be Ministers without Portfolio, or to be ministers of state, or to be parliamentary secretaries, despite the general rule that Members of Parliament should not be getting additional money by the holding of an office of emolument under the Crown. As I say, I would not even try to make a legalistic point. I would not try to raise a point of order and say that this connot be done because it has been taken care of in so many ways. But surely there was some foundation for the original concept that led to this group of sections entitled "Independence of Parliament". Surely, the idea was that people who sit in this house and have to make decisions and cast votes should not be influenced by the fact that some of them are getting additional money from the government.

I have had correspondence with one or two professors of political science who are quite worried about this. I will not name them publicly, although I would be glad to give the names to the minister. In this correspondence I have played the role of Devil's Advocate. I have pointed out that so long as somewhere in the act there is a clause that says, notwithstanding the other provisions this is legal, that legalizes the situation. But back come letters from my professorial friends saying that surely the whole idea of the independence of Parliament is that people should not be in a position where they are, in a sense, obligated to the government.

If you have a House of Commons in which there is a majority party of 150 or so—I believe that is the number at the present time—and if up to 60 of them are on the extra payroll of the government, and if about 25 or 30 of them are there for a couple of years and another 25 or 30 take their place, aren't we getting into a situation where the whole idea that members should not be influenced in a monetary way is somewhat shattered? I am not simply asking the minister did he check with the Department of Justice, is this legal, and have all the loopholes been plugged? I am asking whether there has been a philosophical or academic consideration of this question, bearing in mind what I am sure is the desire of the President of the Treasury Board, that there be no weakening of the independence of Parliament?

Mr. Drury: Mr. Chairman, to the best of my knowledge there has been no such specific study in depth although a number of people have thought about this particular problem from time to time, as the hon. member for Winnipeg North Centre indicates, some of them within the government as well as those he has knowledge of outside. However, if there has been a formal study I am unaware of it, but as a matter of interest might make inquiry.

I am rather at a loss to understand his suggestion that because a man gets paid for doing a job this in some way threatens his independence of judgment. Basically what I think the hon. gentleman is looking at is what is known as a conflict of interest, that is where the public interest which is supposed to be predominant and to pre-occupy Members of Parliament—and I am glad to say in most cases does—would be in conflict with the individual's private interest, and he would be tempted at least to opt, when casting his vote, in favour of his private interest. However, Mr. Chairman, I cannot see how an arrangement to compensate members of the government side who are appointed as parliamentary secretaries, and consequently have increased duties, in any way will subvert their independence or give rise to a conflict of interest.

• (4:20 p.m.)

In the ordinary course of events a member of the party supporting the government will want to see that its views get the kind of support that they undoubtedly merit. Whether he is paid or not he will wish to provide that kind of support, and this particular influence is neither increased nor decreased by reward. I am not too sure what particular conflicts gave rise to this general provision, unless it was felt that Members of Parliament should not at the same time be public servants or what is known as civil servants, in effect directing themselves from a seat in the House of Commons. Perhaps there is also a disinclination to allow, as is provided by other sections, public servants of Canada to receive rewards from the Crown while at the same time passing judgment on the validity of its actions. We have severely restrictive clauses on the relationship of Members of Parliament to the general handling of contracts and I think this is because of a desire to avoid conflict of interest.

In this particular case, however, compensating Members of Parliament who undertake special duties no more falls afoul of the conflict of interest rule than, perhaps,

compensating Members of Parliament. I could use the argument of the hon. member to observe, in philosophical terms, that hon. members should serve gratis. I am not sure that in our present context this suggestion would be a very useful one.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I appreciate the attention the President of the Treasury Board has given to my observations. I was interested in his statement that there had been no in-depth study made of this matter. I hope that one of these new ministers of state or new parliamentary secretaries for whom there might not be other work, might be assigned to this interesting study.

I do not quarrel with the statement made by the President of the Treasury Board that in terms of the ordinary definition of words, "conflict of interest" and "independence of Members of Parliament" may seem to be the same thing. I want to emphasize, however, that in the context of these discussions conflict of interest usually refers to the situation where a Member of Parliament is paid an indemnity for serving the people generally and has an outside interest as a director of a company—in other words, has an interest with a profit-making organization outside Parliament. There have been studies in depth of this question and copies of such a study were tabled a year or two ago by the present Minister of National Defence who then held another portfolio.

Under the heading of "Members of Parliament" as it appears in the Senate and House of Commons Act, the reference is not to a conflict between what one does here and what one does in private business, but rather to a conflict between one's position as a person of complete independence on the floor of Parliament and yet having income given to him as an extra by the government.

I appreciate the fact that the President of the Treasury Board engaged in a bit of a philosophical discussion, as did I, but we did not end with the same conclusion. I do not take it so easily that this does not influence members on the government side of the House. I think when the government has 50 or 60 members on its pay roll in the course of a couple of years or 75 or 90 members on its payroll in the course of a Parliament, it may make the boys on that side feel a little more like supporting the government, although in their better judgment they know that they should not do so.

We shall not get anywhere on this discussion, so I would just suggest that as there has been a study of the question of conflict of interest, which is the conflict between what one does here and what one does in the private business world, there should also be a study on the independence of Parliament, making sure that there is no conflict between what one does here as a Member of Parliament and one's obligations to the government that gives the extra job.

Mr. McCleave: Mr. Chairman, I disagree with so much of what has been said on both sides that I am tempted to get into the debate this afternoon. I used to be a parliamentary secretary so I know some of the problems of that particular breed. I think parliamentary secretaries are useful if they can serve a minister without tripping over the deputy minister's cat and have a willingness to work. Some ministers can profit from having a parliamentary secretary. I was attached to an outstanding minister, the Hon. E. Davey Fulton when he was minister of public works and spokesman in this House for Central Mortgage and Housing Corporation, and he allowed me to work.

Looking at the other side of the House I can see that a parliamentary secretary would be very useful to the Minister of Finance, particularly if he knew anything about finance, because the minister does not. A parliamentary secretary would be useful to the Secretary of State for External Affairs, as is the present parliamentary secretary because we can ask him questions and get short answers that we understand. There are other ministers, however, to whom parliamentary secretaries would not be of much value and so I have to support the amendment because I do not think we should give this government carte blanche with regard to the number appointed.

I think this would hurt committee attendance to some degree, particularly when a parliamentary secretary has finished his term, is pushed back into the shadows and no longer has much interest in this place. This is what has happened to a few former parliamentary secretaries, despite the Prime Minister's intention to give everyone on his side a whirl at a job which provides additional pay.

I disagree with the hon. member for Winnipeg North Centre when he says that preaching for these calls may unduly inhibit Members of Parliament. There are a few who will today for such appointments, and I have seen them do it in the past but their number is few. When the hon. member suggests that there should be some examination on the effect of conflict of interest on parliamentary secretaries, I wonder how such an examination could be carried out. Would it be done with lie detectors or some sort of instrument that could peer into whatever brains Members of Parliament have to find out what motivates them? I think this is an insult and as such is not worthy of the hon. member for Winnipeg North Centre. In other words, I think that we as Members of Parliament are not so easily seduced.

Those members who can perform a useful function for a minister should be appointed and given an opportunity to fit into the work of the department. A parliamentary secretary can be of use. If he is not to be given some kind of authority, if he is not to be given some kind of welcome and if he is to be treated as someone the minister would rather see walking down the other side of the street, then I say to the Prime Minister, for God's sake and for the sake of the treasury, keep those parliamentary secretaries away from that type of minister. In looking at some of the ministers opposite, and quite a number of them are present this afternoon, perhaps assessing the talent that they may wish to see serving them, I say, take this seriously. I think also, Sir, that appointments of that kind should be made from both sides of the House. I know that the whip of the official opposition is in the position of a parliamentary secretary

in that he, along with the government whip, enjoys some special advantages.

• (4:30 p.m.)

Mr. Bell: Explain.

Mr. McCleave: Monetary advantages. I think those advantages should be given to others. The House leaders for the official opposition, for the New Democratic Party and for the Créditistes perform special functions in this House, and I think they should be given special rewards. Otherwise, when they come up against that formidable fellow, the President of the Privy Council, they will find that he outpecks them by $10,000 a year. In the scheme of things money means something in the operation of Parliament and the status of people. So Sir, I submit that we need to take a fresh look at this. Assuming that the motion of the hon. member for Winnipeg North Centre is Parliament and the status of people. So, Sir, I submit that the Prime Minister will not run hog wild with this power and that he will use it with discretion.

Mr. Knowles (Winnipeg North Centre): I just asked for a vote against the clause.

Mr. McCleave: I beg your pardon. I am advised that it is simply a matter of voting against the clause. I assume that the hon. member's suggestion will be defeated. I hope that the Prime Minister will exercise discretion and not go right to the limit in appointing the numbers that he is entitled to appoint. I hope, when the next reorganization bill comes around, and they seem to come around about every two years and more often than Halley's comet, that the government will consider some of the appointments in the areas I have suggested.

Mr. Baldwin: Mr. Chairman, may I make a few comments and give a little advice. I know advice is something the government does not like getting and does not take. I see ministers sitting on the government side of the House to whom I have given advice. If they had taken it, the advice would have had beneficial effects for both the ministry and the country. My first piece of advice is this. In bringing about these interesting rearrangements and proposals which the President of the Treasury Board has in mind, I point out that the government has a limited amount of time in which to engage in that experiment. They should make the most of that time. An interesting event will probably take place next year which will terminate the capacity of the government for making appointments of any kind.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

An hon. Member: That is wishful thinking and not a prophesy.

Mr. Baldwin: I suggest to the President of the Treasury Board that he appoint as many members as possible to those positions. We recognize that most backbenchers on the government side of the House have not been useful to Parliament as backbenchers. It may be that the extra knowledge they will gain from being parliamentary secretaries or ministers of state will permit them, when they come to this side of the House, to play a much more effective and efficient part than they play at present.

My second piece of advice is this: The government should try to appoint to those positions backbenchers who are independent minded. I know it is exceedingly difficult for the government to find backbenchers who are truly independent.

An hon. Member: There are a few.

Mr. Baldwin: There are a few who voiced their views at one time but, like good little Liberal lambs, they went bleating back to the fold. They have not been independent for very long. It is essential for backbenchers to be independent. If there is anything this government needs, it is a fair amount of independence on the part of its backbenchers as well as in the executive. It needs independence among cabinet ministers and parliamentary secretaries.

I see ministers sitting opposite me who have expressed individual and distinct opinions. They did not do that because they were independent minded but because they did not know what the others in the cabinet were doing. They were confused, as the Leader of the Opposition has suggested. So, I suggest to the President of the Treasury Board, to the President of the Privy Council and to the Prime Minister, that they should search diligently and see if they cannot find members among the backbenchers on the government side who are independent and who will retain that independence. I am sure that that would make for better government. There is lots of room for improvement. I offer this advice and criticism in the hope that it will be accepted.

Mr. Bell: Mr. Chairman, I wonder if I might ask a question and do a little reminiscing. I wonder if the minister could verify this story. When the present government leader in the Senate was a parliamentary secretary, he put out so many statements and did so much work that he completely overshadowed his minister and embarrassed the government of the day. When they discovered that it would be difficult to remove him, they decided that the best thing to do was to appoint him to the cabinet.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Clause 25 agreed to: Yeas, 35: nays, 21.

On clause 28

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, before clause 28 carries may I ask the President of the Treasury Board why, in the construction of this bill, one amendment to the Salaries Act is that which is before us in clause 28, whereas there is another amendment to the Salaries Act in Schedule B, page 18 of the bill. Why could not all amendments to the Salaries Act have been put in one place?

Mr. Drury: Mr. Chairman, I think the answer it that it is a matter of drafting convenience in that clause 28 of the current bill provides a substantive new section in the Salaries Act, which did not exist before, whereas the schedules are amendments that do not represent substantial changes but represent changes in nomenclature, and so forth.

Clause agreed to.

On clause 29: *Appropriations based on 1970-71 Estimates.*

Mr. Drury: Mr. Chairman, I indicated last time we were considering this bill that, by reason of the amendments made to the interim supply bill, it would be necessary to amend clause 29 of this bill and make provision for supply during the interim period until June 30 for the ministry of fisheries and forestry. After that, supply would have to be provided, as this bill intends, for the new department of the environment. Consequently, I move:

• (4:40 p.m.)

That Bill C-207 be amended by striking out lines 20 and 21 on page 12 and substituting the following:

"31st day of March, 1972, based on Estimates 1971-72 to defray the expenses of the"

The new clause, as amended, will read:

The provisions made by any Appropriation Act for the fiscal year ending the 31st day of March, 1972, based on Estimates 1971-72 to defray the expenses of the public service of Canada within any department, branch or other part of the public service—

As I indicated, the purpose of this will be to make provisional supply consequent with the new department of the environment as now contained in the main estimates as amended by the interim supply bill.

Mr. McGrath: I have some general remarks to make. This is probably the appropriate time to make them. Two of my colleagues also want to make some remarks on this general subject. I wonder if it might be more expeditious to do so when we revert to Part I, clause 2. I make that suggestion. I hope that when we revert to that, I will be given an opportunity to say a few words.

The Deputy Chairman: Order, please. The Chair is in agreement with the hon. member that he make his remarks when we revert to clause 2.

Amendment agreed to.

Clause 29, as amended, agreed to.

Clauses 30 to 33 inclusive agreed to.

On clause 34—*Commencement*

Mr. McCleave: May I ask the minister a question? When is it proposed to proclaim this measure?

Mr. Drury: In the interest of efficient administration, Mr. Chairman, the answer is as quickly as possible. For some time the government has been arguing that bringing this act into operation is a matter of considerable public importance. We want to do it as rapidly as possible. After consideration of this bill by the Senate, which I hope will not be long, it will be proclaimed as soon as possible.

In connection with the proclamation provided in clause 34, another item mentioned related to the effective date of discharge from the public service in order to enable public servants to qualify for early retirement, particularly with the changes in organization contemplated at defence forces bases in Manitoba. We wish to have clause 27 of the bill given effect from the end of the fiscal year rather than from some date in May or June of the current year. In order to give effect to that desire, and I think this arrangement has the support of the House, I move:

That Bill C-207 be amended by striking out lines 14 and 15 on page 15 and substituting the following:

Commencement "34. (1) This Act, except section 27, shall come into force on a day to be fixed by proclamation.

Idem (2) Section 27 shall come into force on April 30, 1971."

If this amendment is passed along with the bill, Mr. Chairman, it will be possible for the employment of those at these bases which I have in mind to terminate in accordance with the plan shortly after the end of the fiscal year and for them to qualify for the early retirement provisions which they otherwise would not be able to do.

Mr. McCleave: Mr. Chairman, I wish to make a few comments at this stage. The formula used by the minister is acceptable. It is certainly much more acceptable than one used on another occasion when we gave permission to have parts of a bill proclaimed and then found that little snippets were taken out of the breathalyser law and other snippets were left. In this instance, the minister has stated his case frankly. For that he is to be thanked.

The minister made this request of some of us before. We are not surprised that it is now coming forth. Generally speaking. I think it can be accepted by the official opposition. At some stage before we vote on this amendment, will the minister indicate whether any other classes of people will or could be affected by what we are being asked to do with regard to clause 27.

Mr. Drury: There is no specific class or group of people in mind other than those I have mentioned. When the bill was originally drafted, a plan to close some armed forces bases in the Prairie provinces was approved on the understanding that the people who are going to be released according to the timetable of this plan would be able to avail themselves of the provisions of these amendments. Obviously, there are other persons in the government who, if the amendments were not made, would have left the government service between March 31, 1971 and the date of proclamation, whenever that is in the future, who would not be able to take advantage of these early retirement provisions. I do not know who they might be but now they will be able to retire as a consequence of what has been specifically made necessary

in order to enable us, in all justice, to proceed with the closures in western Canada at the end of the fiscal year.

• (4:50 p.m.)

Mr. Knowles (Winnipeg North Centre): The amendment which the President of the Treasury Board has moved is of course in keeping with the commitment he made on April 7 as reported in *Hansard* at page 5013. But I wonder whether it would not also be necessary to make an amendment to clause 27(3), bearing in mind that according to clause 34, section 27 shall come into force on April 30, 1971. Clause 27(3) still reads "after the coming into force of this Act." Is there not a conflict which will have to be resolved by making a consequential change in subclause (3) of clause 27? Otherwise, you will have two different dates. You have clause 34 saying section 27 shall come into force on April 30, 1971, but over on page 12 in lines 3 to 10 you have a clause which reads that these benefits shall apply only in respect to persons who cease to be employed in the Public Service after the coming into force of this act. Do you not want that to read "after the coming into force of this section" as provided in clause 34? I seem to be having trouble getting my point across to the minister, though it is a simple one. I want to be sure that his commitment is to be carried into law.

Mr. Drury: I should like to be sure, too. But I have been assured by the drafters in the Department of Justice that the purpose we are trying to accomplish, namely, making available these early retirement provisions to those who would have retired before the date of the proclamation of the act as a whole, and subsequent to March 30—

Mr. Knowles (Winnipeg North Centre): April 30.

Mr. Drury: —will, in fact, be accomplished. Sorry if I got the date wrong. Yes, that is correct, April 30. I do not claim to be an expert drafter, but I am told it is not necessary to change the wording in subclause (3) to achieve this purpose.

Mr. Knowles (Winnipeg North Centre): Since I last rose I have done what I should have done earlier,—that is—I have looked at the second page of the document which was handed to us after the minister had moved his amendment to clause 34. I find the amendment to clause 27 is already there for the minister to move, that the bill be amended by striking out line 10 on page 12, and so on. I was more correct than I realized.

Mr. Drury: I stand corrected.

Mr. Knowles (Winnipeg North Centre): I take it, then that after we have dealt with clause 34 we shall revert to clause 27 and that the minister will move the other amendment which he has in his hands after all.

Mr. Drury: Yes, Mr. Chairman.

Mr. McCutcheon: Today we heard the shocking revelation that the Department of Industry, Trade and Commerce has no faith in the operation of the Post Office. This situation was brought about by letting a minister of communications look after its affairs. Clause 26 of the bill before us provides for a full time Postmaster General. Since the minister who is piloting this bill through the House is now prepared to amend clause 27, making it retroactive until April 30, I would ask him this question: why in the world cannot the government include provision for retroactivity in the case of the Postmaster General?

Some hon. Members: Hear, hear!

The Deputy Chairman: Is the committee ready for the question?

Mr. McCutcheon: I put that forward as a serious proposition because I have great respect for this minister's ability. He should be in that job and on it fulltime. I think the least the government could do for him would be to make his appointment retroactive.

Some hon. Members: Hear, hear!

Mr. Drury: I share the views of the hon. gentleman who has just spoken in relation to the abilities of my colleague who has been carrying out the duties of Postmaster General. I, too, would like to see this appointment made retroactive. The fact of the matter is that the government feels, perhaps, it has greater obligation to those of its public servants who are being let out of work as a consequence of internal reorganization than it has to one of our own members in relation to retroactivity. I am not sure what date one would select for retroactive purposes. If we were to do this for a minister there might be suggestions in relation to those so close to the ministry that we were looking after ourselves and not doing so well for those for whom we are perhaps responsible. I should like to take advice, which I shall do, as to whether the kind of amendment proposed by the hon. gentleman would be possible without a further message from His Excellency. I will inquire about this.

Amendment agreed to.

Clause 34, as amended, agreed to.

The Deputy Chairman: It is the understanding of the Chair that it might be desirable to revert, now, to clause 27, if I correctly understood the words of the hon. member for Winnipeg North Centre. Does the committee agree?

Some hon. Members: Agreed.

On clause 27

Mr. Drury: I move:

That Bill C-207 be amended by striking out line 10 on page 12 and substituting the following: "force of this section".

Mr. Knowles (Winnipeg North Centre): Once again, I should like to say that I welcome the amendment. It is now clear that between this clause, as amended, and clause 34, as amended, the provisions for early retirement on immediate annuities will apply to public servants who were on strength up to and including April 30.

• (5:00 p.m.)

I was glad to hear the minister say that, although the particular groups that the government had in mind when it sought this change were the groups of civilian employees who were dismissed from certain bases in Manitoba on April 30, nevertheless it is so worded that it will cover anyone in the public service who was on strength on April 30. The minister must be aware that there are a number of individuals who, when they saw this legislation coming many months ago, began to make their plans accordingly. I know of a number of who, on the strength of the minister's announcement on April 7, arranged to make their retirement on April 30, and they will be glad when this amendment has been carried and the legislation put through all its stages so they can get the benefit of the early retirement set out in this bill.

When we were debating clause 27 some weeks ago the minister dealt with a number of subjects that had been raised. We had a vote on a matter on which we did not see eye to eye and we lost the vote. Nevertheless, there was one aspect of the whole matter concerning which the minister was kind enough to say my arguments had impressed him. That admission from him is to be found on page 4748 of *Hansard,* where he said:

> I cannot help but be moved by the eloquent plea of the hon. member for Winnipeg North Centre.

One has to watch out when something like that is said, but the plea I made on that occasion had to do with the escalation of the pensions of members of the armed forces and Royal Canadian Mounted Police who retire before the age of 60. I am going to be as brief as I can and I am not going to rehash the whole debate on Bill C-194 of last session. The fact is that the major argument that the government used on that occasion for not permitting the escalation of the pensions of these two groups who took their pensions prior to age 60 was that 60 was the earliest age at which a public servant could have his pension escalated. There are a few exceptions to that, such as persons on pension because of ill health; but the general rule was that public servants could not and would not get their pensions escalated until they reached age 60, and that therefore RCMP and armed forces personnel must not ask for their pensions to be escalated prior to age 60.

Now, however, Mr. Chairman, under the terms of this bill, Bill C-207, we are providing that certain public servants who retire before the age of 60 can get their pensions escalated annually starting right away. We make this provision by a combination of clauses in Bill C-207, in Bill C-194 of last session and the Public Service Superannuation Act. Therefore, I contend that if by breaking this barrier we have now decided it is possible for public servants who retire before age 60 to enjoy the benefit of having their pensions escalated right away, there is no longer any moral ground for denying the same right to retired members of the armed forces and the Royal Canadian Mounted Police.

I made this argument at some length when we debated this matter on March 30 and the minister, as I have already said, was kind enough not only to listen to my

[Mr. Knowles (Winnipeg North Centre).]

argument but to say that he was impressed by it. He ended his statement with these words:

> It would be my hope that any imbalance that the passage of these amendments might bring about the relationship of pensioners in the public service and the two forces could be rectified.

The two forces referred to by the minister are, of course, the armed forces and the Royal Canadian Mounted Police.

My purpose in rising at this moment, since we are back on clause 27, is to ask the minister whether, since his commitment on March 30, he has come up with any formula to redress this imbalance. One of the things the minister said to me on March 30 was that that legislation was not before us at the present time. I would draw to his attention the fact that in the present bill, on page 17 of schedule B, we are in fact correcting something that was done in last year's Bill C-194. We have corrected an oversight which had to do with certain Members of Parliament who hold positions as parliamentary secretaries, second deputy speakers or what-have-you.

My point is that in Bill C-207 we are correcting an oversight in last year's Bill C-194. It is precisely that same Bill C-194 that denied these escalations of pensions to members of the armed forces and the Royal Canadian Mounted Police. Therefore, I suggest that a parallel correction be made in the schedule of this bill. The legislation is before us; the matter is in front of us right now. Since, as I say, the government has broken the 60 year age barrier and made provision that some public servants who retire early under the provisions of this bill will enjoy an escalation of their pensions beginning right away, I contend the same should be done for members of the armed forces and the Royal Canadian Mounted Police. In light of the commitment that the President of the Treasury Board gave me on March 30 that it was his hope that any imbalance could be rectified, can he now say whether he is in a position to do this job of rectification today?

Mr. Drury: Mr. Chairman, since the hon. gentleman quoted my remarks when we last discussed this bill, may I point out that I said that I was moved rather than impressed by his point. I make a subtle distinction between these two words. I would prefer the term "moved" to "impressed", in that while I can accept the logic of his point I am not entirely sure of the premise on which it is based. At the moment, the ministers concerned, namely the Solicitor General and the Minister of National Defence, are looking at the question of whether in fact an imbalance will be created as the hon. gentleman suggests, or whether there is some other explanation and, if so, what is the best way of proceeding to correct the imbalance. I am told that answers to these questions will not be available for some time.

• (5:10 p.m.)

As the hon. gentleman knows, some of the most complicated pieces of legislation on the statute books are legislative enactments relating to superannuation and pensions. Unfortunately, we have relatively few experts in the government service, even though they are

extremely highly qualified, and so perhaps a study of these particular problems does not move as rapidly as we would like. It is "in train", and certainly I am not in a position today, nor will I be in the next couple of weeks, to give an adequate answer to the hon. gentleman's representation.

Mr. Knowles (Winnipeg North Centre): May I say I readily accept the minister's correction of the word I used. He had not said I impressed him, he had said I moved him. I am only too happy to accept the correction so as to be not only literally correct, but also because that is what I wanted to do. It really does not matter to me whether I impress him, but I should like to move him.

Perhaps I can take some consolation from what the President of the Treasury Board has now said, namely that a study of this matter is "in train". I know how complicated these pension matters are, as I have been working in this field as an amateur on the floor of this House for quite a few years. I know that every piece of pension legislation is extremely complicated and one has to look at the relations between any one piece of legislation and several others. But I do not think this problem is quite as complicated as the minister makes out.

If the minister will go back and read the statements he made when he announced the increase in pensions to retired civil servants, and I think the date was December 19, 1969, and if he will read all the debates that have taken place since, he will see that the one main argument advanced for not escalating the pensions of armed forces and RCMP personnel prior to age 60 was that this was not being done for public servants until age 60.

I have to say that in those days, although I made a case, I could not go very far with it because there was a certain logic to his position. Now, he has broken that position. It is no longer true that healthy civil servants retiring prior to age 60 do not get the escalation. It has been true right along that a public servant who is retired because of ill health and put on immediate pension gets the escalation. It is also true that an RCMP officer or a person from the armed forces who has to retire early because of ill health can get the escalation. We have a parallelism there.

Let us consider the superannuation of the healthy. A deputy minister or a public servant at any level can, under the provisions of this bill, retire between ages 55 and 60, and in certain other cases between 50 and 55. When that happens those people, despite their younger age, being under 60, qualify for annual escalation. All I am asking is that we be consistent and say that since we have changed the rules in respect of healthy public servants, let us change the same rule in respect of healthy members of the RCMP and the armed forces.

I have used the word "healthy" simply to imply, as I must, that those who are retired because of ill health have already been looked after. Let me say there are many instances in respect of these people where they have retired in good health but who cannot get other work, sometimes because of health or because of an unemployment situation such as exists today. Letters I receive indicate there are a good many examples of suffering in this area. I know the general philosophy has been that these special provisions to enable RCMP and armed forces people to retire early presented a different story. They can retire at 50 or 51, or even under 50 if they have the right number of years of service, and since they were so young they could go back to work. Try to go back to work today.

My argument in the main rests on the principle of consistency, which I hope appeals to the President of the Treasury Board. We have changed the rules so far as public servants are concerned. I do not think the minister now has any leg to stand on if he does not change the rules for the others as well. I am glad this is "in train" as I suppose this is an accomplishment to have achieved that since March 30. I just hope that the train does not move too slowly.

Mr. McGrath: Mr. Chairman, during the initial debate on this clause of the bill I drew the minister's attention to the plight of certain federal civil servants in the province of Newfoundland who came under the jurisdiction of the government of Canada as a consequence of the union of Newfoundland with Canada in 1949. Those people are covered under a special clause or term of union, I think clause 39.

When I brought the matter to the minister's attention originally he pointed out that this would require, under the terms of this clause, special action on the part of the government of Newfoundland. The minister said the initiative had to come from the province. He was sympathetic and said he would look into the situation.

Since that time the matter has been raised in the Newfoundland legislature. The government of that province quite properly responded by indicating it did not know of the new provisions of this act or the amendments now before the committee because they were still before the House of Commons. I should like the government, and particularly the President of the Treasury Board, to give us an assurance that when we pass this bill and it becomes law he will transmit this information to the government of Newfoundland with a view to correcting this anomalous situation which exists at the present time in that certain federal civil servants are excluded from the provisions of this bill as a consequence of term 39 of the union of Newfoundland with Canada.

There are a number of civil servants who are affected by this, and they are naturally quite concerned. They want equal rights with their fellow civil servants. They are concerned more particularly because the tenure of the government of Newfoundland has reached a constitutional limitation. The government has only until December of this year before there must be an election. I am afraid that this matter might get lost in the shuffle. I, therefore, ask the President of the Treasury Board if he is prepared to give this commitment to the committee and to those civil servants affected? I hope the minister or one of his officers will get in touch with the Newfoundland government to advise it of the changes in the Superannuation Act, suggesting that the Newfoundland

government take the necessary action in order that these civil servants can be brought within the provisions of the amended act.

The Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Mr. McGrath: Mr. Chairman, I asked for a commitment from the minister as this is a very important matter. There are a number of senior people involved. These are people who would be entitled to the benefits of this provision but are now at the mercy of the government of Newfoundland. I should like to feel that the minister will officially inform the government of Newfoundland of amendments to the Superannuation Act, advising that government what action should be taken to bring these civil servants under it.

Mr. Drury: Mr. Chairman, I am sure the hon. gentleman will understand that I would be glad to transmit officially and, if you like, formally not only the proclamation of this act, when that occurs, but also all the provisions of the new statute for whatever action by the government of Newfoundland might be appropriate.

I think, however, I would have some hesitancy in attempting to tell that government how to behave in matters which, under the terms of the Act of Union, are within their jurisdiction rather than ours. Perhaps it ill becomes one government to give lectures to another. We seek to proceed on the basis of co-operation on the assumption that in joint matters each government will behave responsibly and intelligently.

• (5:20 p.m.)

Mr. Lundrigan: Mr. Chairman, I do not know if my remarks are completely appropriate, following the remarks of the hon. member for St. John's East, but there are a number of public servants in the province who were employed by the provincial government prior to 1949, or at least in the employ of organizations other than the federal government. Recently, I wrote the President of the Treasury Board asking for the names of people who would be affected by any amendments to the Superannuation Act so that these people could buy back their time prior to 1949 as full fledged members of the public service. Many of these people went to work as public servants in 1939 and right down through 1940 to 1949. Not being classified as fully fledged members of the public service until after 1949, they lost out severely in respect of superannuation. I understand that efforts are being made or that an agreement is being arrived at whereby they can buy back their time prior to 1949 and thus enhance their position.

I contacted the Treasury Board and was informed by the Acting President a few weeks ago that the names of the individuals affected could not be made available to me. I receive letters from these people, basically from Gander where there are 500 people with the Department of Transport or other departments which serve the aviation needs of that airport. They ask me to advise them of their present status in view of the fact that they went to work in 1939, 1943, 1946, or whatever the case may be. In order to communicate their wishes to the Treasury Board, I need to know the names and status of these people. I wonder whether the minister could have an official of his department make available the names of public servants who would be affected by such a change in their status. I understand that already a good deal of good work has been done. I think it would be useful to public servants—it is of no interest to me personally—if we could know where they stand and how the Treasury Board and the provincial authorities combined are able to help them in respect of their problems.

Mr. Drury: The request to provide a list of public servants who would be affected by this legislation is rather a difficult one to answer. I think perhaps the government has an obligation to see that all those on whom this new legislation will have an impact are advised of their new rights and options. We are undertaking to do this or will undertake to do it internally. What the hon. member in effect is asking for, however, is a list of the public service voters in his constituency.

Public servants in the employ of the federal government, whether they were transferred from the Public Service of Newfoundland or have entered the Public Service of Canada in other ways, will all be affected but in different ways. As I suggested, I think that rather than providing the hon. member with a list of all public servants in Newfoundland, the government has an obligation to advise the individuals directly and precisely of his rights and obligations.

Mr. Lundrigan: Mr. Chairman, the President of the Treasury Board obviously is pretty knowledgeable in this area and I am sure knows what he is talking about. However, I believe the number of people involved would be 150 public employees of the federal government in the province of Newfoundland. I understand that is the number, although it might be more or less. The problem to which I am referring does not involved every public servant in the Public Service of Canada. These people qualify under the specific terms of the union of the province with Canada which was consummated in 1949. There are only a handful of people involved. Certainly, the Treasury Board could make available their names. These names should be made available if we are to make representation on their behalf. I am wondering if we cannot get this information because the matter is considered to be very complex, whether there is a written agreement or whether there is some idiosyncrasy involved. What is the reason we cannot obtain the names of these people? I want to know.

Mr. Drury: Mr. Chairman, I think any member may inquire on behalf of a member of the public service what the general provisions are. But I am not sure it would be appropriate for the government to release information regarding the financial status of any public servant in response to a general demand for an analysis of the individual's financial circumstances. Now, if the

hon. gentleman is asking for a list of those individuals who were in the Public Service of Newfoundland and who transferred to the service of Canada, which involves only about 150 in number, then if it would help him to have such a list I will see if this can be provided although I am not quite sure how it would help him to have the names of those people. If the representations are of a general nature, he could make the appropriate representations on their behalf without knowing their names. If the representations are of a particular nature relating to an individual's circumstances, then obviously he must know the name and the individual's particular circumstances. I suggest it would be wrong for the government to divulge from its records, on a gratuitous basis, the particular financial circumstances of someone in the public service.

Mr. Lundrigan: Mr. Chairman, the minister is certainly misrepresenting my request. I am not looking for the financial status of the individual. I am not looking for information concerning his income or how much pension he has accumulated. I am sure the minister understands what I am trying to say. Let us assume there are 150, 300 or 350 people who are in a position where they could buy back their time previous to 1949 on some sort of a federal or provincial pension basis. Is the Treasury Board going to make all these people aware of their position, which is not part of the government's philosophy at the moment? For instance, is John Doe to be told that he went to work in 1943 and that the new scheme permits him for X number of dollars from him and for X number of dollars from the federal treasury and X number of dollars from the provincial treasury to buy back those years which will give him a pension of such and such?

Does the President of the Treasury Board intend to do this? This is the information I request. I want to make sure that all the people affected will be made aware of their rights. I want to know whether a person has the right to buy back his time and how many years he can buy back. I am not interested in how much he owes IAC or how much he will receive from the treasury if he should retire in a year or so.

The Deputy Chairman: Is the committee ready for the question?

Mr. Lundrigan: Mr. Chairman, is this information available?

The Deputy Chairman: Does the hon. member wish the floor again?

Mr. Lundrigan: Mr. Chairman, having now clarified the type of information I am looking for, which involves the pensionable status and the number of years these people can buy back in the event they can buy back their time, I am asking whether this information can be made available to the federal representatives of the people of the province.

Mr. Drury: Mr. Chairman, I think perhaps the easiest thing is for me to have a private discussion with the hon. member. What he wants is a list of names of people and also their pension status. I suggest that this is private information. Perhaps we can come to some kind of agreement as to what the government can properly provide to him without at the same time violating the privacy of those in the public service of Canada.

• (5:30 p.m.)

The Deputy Chairman: Order, please. The question is on the amendment, moved by the President of the Treasury Board, to clause 27. Does the committee wish me to read the amendment again?

Some hon. Members: Dispense.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I suggest that you read it, because it is an important amendment. We have had a good deal of discussion since it was moved, and I think people who read *Hansard* would like to know what we are voting on.

The Deputy Chairman: Then I have pleasure in reading it again. Moved by the President of the Treasury Board:

That Bill C-207 be amended by striking out line 10 on page 12 and substituting the following:
"force of this section."

Shall the amendment carry?

Some hon. Members: Carried.

Amendment (Mr. Drury) agreed to.

The Deputy Chairman: Shall clause 27 as amended carry?

Some hon. members: Carried.

Clause 27 as amended agreed to.

The Deputy Chairman: Is it the wish of the committee that we revert to clause 2 before discussing schedule A and schedule B? The Chair feels that it would be proper to return to clause 2.

Some hon. members: Agreed.

The Deputy Chairman: On February 16 when the committee was studying clause 2 an amendment was proposed by the hon. member for St. John's East. The Chair feels that the amendment should be read at this time for the benefit of hon. members. It was as follows:

That clause 2 of Bill C-207 be amended by striking out the words "Department of the Environment" where they first appear, immediately after clause 1 on page 1 thereof, and substituting therefor the words "Department of Fisheries and the Environment".

Mr. Drury: Mr. Chairman, in accordance with the discussions leading up to the order of the House to which I referred earlier, the government gave an undertaking to provide an amendment to give effect to the representations made by the hon. member for St. John's East, supported by others, which resulted in this amendment to clause 2.

We have already considered and passed clause 3, but with the consent of the committee I would like to reopen clause 3 and propose an amendment thereto which I think will give effect to the representations of the hon. member for St. John's East and enable him to withdraw his amendment.

The Deputy Chairman: Does the committee agree to stand clause 2 and the amendment thereto at this time and revert to clause 3?

Some hon. members: Agreed.

Clause 2 stood.

The Deputy Chairman: The committee will now study clause 3.

On clause 3—*Department established.*

Mr. Drury: Mr. Chairman, for the reasons I have indicated, and in accordance with the order of the House, I would like to move:

That Bill C-207 be amended by adding thereto immediately after subclause (2) of clause 3 on page 1 the following subclause: "(3) The Minister of the Environment is the Minister of Fisheries for Canada."

Mr. McGrath: Mr. Chairman, before I put forward my arguments I wish to suggest to the President of the Treasury Board that in order to be consistent it will be necessary to bring in an additional amendment to clause 4, because otherwise we will have a Minister of Fisheries and no Deputy Minister of Fisheries. Is he prepared to take that into consideration?

Mr. Drury: Mr. Chairman, it was not proposed, as I understand it that we should have a Deputy Minister of Fisheries, and in order to have a Deputy Minister of Fisheries it is necessary to have a Department of Fisheries. This does provide for a minister, but not for a Deputy Minister of Fisheries as such. If one amends clause 4, then I suggest it would be necessary to have a Department of Fisheries.

Mr. McGrath: Mr. Chairman, that is really the crux of the matter. That is what prompted me to move my amendment back on February 16. An amendment had been moved earlier by my colleague from South Shore asking for two deputy ministers and it was subsequently defeated by the committee. It seems to me that if there is to be a Minister of Fisheries, as the amendment calls for, it follows that there should be a consequential amendment to clause 4 stating:

The Governor in Council may appoint an officer called the Deputy Minister of Fisheries . . . to hold office during pleasure.

The minister says there will be no Department of Fisheries. As I understand it, the department shall be known as the department of the environment. But there shall be a Minister of Fisheries, and surely he must preside over something. He must be a Minister of Fisheries not in name only; he must be a Minister of Fisheries presiding over a Department of Fisheries. I am not trying to be difficult, Mr. Chairman, and all I am suggesting is that one follows on the other. If by this amendment you are going to create the office of Minister of Fisheries, then it follows that the Deputy Minister of the Environment shall also be known as the Deputy Minister of Fisheries.

Our reasons for putting this forward have been outlined. They are a matter of record but it might be worth while to bring the question into focus by referring to the events that have transpired since the amendment was first introduced back on February 16. What we have experienced since that time has caused us to be concerned over the direction of the government with respect to the fishing industry. For example, I think it is logical to raise the question: What is to become of the Standing Committee on Fisheries and Forestry? Does the nomenclature of that committee change to the "Standing Committee on the Environment"? Is this House to be deprived of a Standing Committee on Fisheries, something it has had for the past 100 years? That is particularly important, Mr. Chairman because we have been occupied in the Standing Committee on Fisheries and Forestry for the last few weeks with a bill which has absolutely nothing to do with fisheries. The committee has been engaged in a clause by clause study of the clean air bill, a very important bill but one which properly should have been referred to the Special Committee on Environmental Pollution.

• (5:40 p.m.)

We find ourselves today in the position of having had only one full day in which to examine the estimates of the department. Under the new rules we will probably get only one more day, and we have been told that it is unlikely we will have an opportunity to examine the estimates. Under the new rules they must be referred back to the House, therefore without proper examination and debate.

If this is what we can expect in future, Mr. Chairman, then I am afraid our fears are well-founded and that this industry which faces so many problems today will not get the attention it deserves. Granted, we will have an opportunity as a consequence of this amendment to direct questions to the Minister of Fisheries and Forestry in the House and there shall continue to be in Canada a Minister of Fisheries and Forestry, albeit one who wears two hats. He will be preoccupied with his responsibilities as minister of the environment. By virtue of that preoccupation and the responsibilities that the new department has taken unto itself, I suggest that very little time will be given to the fishing industry.

Before passage of this bill I hope we can extract from the government House leader an undertaking that there will be no changes in the Standing Committee on Fisheries and Forestry and that it will continue to exist and have responsibility for examining the estimates, that it will continue to have the privilege of having before it the Minister of Fisheries and Forestry in order to examine fisheries policy.

The question is, who will look after the interests of the fishing industry with respect to the International Com-

mission on the Northwest Atlantic Fisheries? The minister will be involved in matters of pollution, he will be involved in the clean air bill, he will be involved in responsibility for the meteorological service of Canada and a number of other things. Have his responsibilities as Minister of Fisheries and Forestry not been sufficient for a full-time job? Why has this ministry simply become a division of the new department? What about the 13,000 employees and the $200 million budget?

As I have already said, the primary responsibility of the minister of the environment will be to deal with matters of the environment, to combat water, air and soil pollution. There are so many policy decisions to be taken with respect to the fishing industry that I repeat the question, will the minister be so preoccupied with his vast new responsibilities that these decisions will be further postponed?

We are on the eve of the ICNAF conference which this year will take place in Halifax. Very important decisions will have to be made and, hopefully, consequential policy decisions will have to be made following that conference. The minister has assured us today that Canada's position at the conference will primarily be concerned with conservation, as very well it should be. Because of our lack of concern in this important area, the fishing industry is facing a crisis as serious as any in its long history. Many species of fish are threatened with extinction. My colleague the hon. member for Gander-Twillingate has been actively involved in this matter and probably will have more to say about it.

This morning in committee we heard evidence to the effect that if action is not taken soon, thousands of jobs will be lost because of Canada's failure to conclude a satisfactory conservation agreement with the countries which fish off our shores. The question of our position within ICNAF was raised. Obviously, we are one of the leading members of that body since we have a greater stake in the North Atlantic fisheries than any other country.

In order to try to obtain an agreement with the Danes, however, with respect to their overfishing of Atlantic salmon off Greenland, the minister has to go hat in hand to Denmark in June. Yet he tells us that Canada will be preoccupied with matters of conservation at the ICNAF meeting. We cannot seem to resolve within ICNAF this question of the Danes. Why is it necessary to go outside that body to get the Danes to agree to measures to preserve this Canadian resource? I say "Canadian resource" because the North Atlantic salmon, generally speaking, spawns in Canadian rivers, enjoys the protection of the Canadian government and is supported by substantial funds from the Canadian taxpayer—but it is exploited by the Danes before returning to our rivers.

The minister recently promulgated new regulations with respect to the conservation of the North Atlantic salmon, yet we are told there was no consultation with the government of Newfoundland. We have this on the admission of the Premier himself and from evidence presented in the committee. Where did the minister get his advice when he drew up these regulations which are now being challenged by the government of Newfoundland?

We have the spectacle of the Premier of Newfoundland standing in the legislature telling the fishermen of that province to defy this law because it is not in the best interests of Newfoundland's industry—"If you defy this law we will provide you with counsel and will support you if the department dares bring you before the courts." That is the consequence of lack of consultation with the government and the industry concerned. If that situation prevails now, what can we expect in a few years' time when the minister is totally involved with matters of the environment?

To come back to where I started, Mr. Chairman, up to this time the Department of Fisheries and Forestry has been a full-time job and has required all the attention of the present minister. It has required all the attention of his officials and of thousands of employees within the Department of Fisheries and Forestry. There are some 13,000 in all. What, Mr. Chairman, can we expect in future?

• (5:50 p.m.)

We have good reason to be concerned. We are told that we approach the ICNAF meeting in a mood of concern about matters relating to conservation. We are doing so at a time when the Prime Minister of our country is in the Soviet Union, and at a time when a protocol has been signed with that country. Yet when I asked the minister in the House today what would be the effect of this protocol on our attempts to get the Russians to agree on measures of conservation in the Northwest Atlantic, he refused to answer the question: at least, he did not reply to that part of the question. I suggest he did not because he could not.

Is it not fair to ask why, if our Prime Minister could obtain from the Soviet Union agreement to the signing of that protocol which will have great propaganda value no doubt, he could not obtain within the umbrella of that agreement some meaningful accord with the Soviet Union, the country which is the chief offender in the over-fishing off our east coast? Why was that not done? Yet we will go to the ICNAF meeting in Halifax, the Russians will provide us with the same misleading statistics and we shall be no farther ahead. The time has come, Mr. Chairman, for us to question our membership in ICNAF. The organization does not seem to be serving us and seems to be serving no useful purpose for us.

We were told this morning that when our fisheries officers go aboard Soviet bloc vessels to examine gear or the size of their mesh, those officers are not allowed to go below and see what is in the holds of the ships. There is a very good reason for that. This great Soviet fleet has no regard for our conservation concerns. They move into an area and sweep all the fish off the bottom without any regard to what they might be doing to spawning grounds. These are matters of continuing concern and are all the more reason why we should have a Minister of Fisheries supported by a deputy minister.

Then we must consider the Law of the Sea Conference which is to be held in 1973. Presumably we are now

preparing ourselves for that conference. We are concerned, and have been concerned over what appears to be lack of support or co-operation on the part of the Department of External Affairs in supporting the efforts of the Department of Fisheries. We have asked the Secretary of State for External Affairs in this House questions relating to our international fisheries agreements. He has demonstrated such an abysmal ignorance of the subject that at times it is embarrassing.

For example, I asked if the discussions that were taking place in Ottawa between the French delegation and the Canadian delegation regarding the phasing-out of French treaty rights off Canada's east coast included the continental shelf and the difficulties that resulted from French jurisdiction over the islands of St. Pierre and Miquelon. The minister replied that the discussions were solely concerned with fishing and not with the continental shelf. Mr. Chairman, we could not ask further questions because the Secretary of State for External Affairs showed such complete ignorance of the whole subject. There was no point in pursuing the matter. Obviously, if we were concerned about this renewable resource we were concerned about the continental shelf where the resource exists. If you talk about the continental shelf you are talking about the Grand Banks; they are one and the same. Obviously the Secretary of State for External Affairs did not know that.

This kind of ignorance illustrates to us that the Minister of Fisheries and Forestry has not received the kind of support he ought to be receiving from the Secretary of State for External Affairs and from the Department of External Affairs. Why should our Minister of Fisheries have to go to Denmark, hat in hand, and try to get the Danes to agree upon meaningful conservation? Unless the minister has the full, announced support of the government of Canada, and unless the Secretary of State for External Affairs is prepared to back the minister by saying in this House that we reserve the right to take whatever action is necessary if the Danes do not agree to our proposals, I say that the efforts of the Minister of Fisheries and Forestry, commendable though they are, in going to Denmark will once again prove fruitless.

Who is to take full responsibility for preparing Canada's case for the Law of the Sea Conference? Certainly we cannot expect the Department of External Affairs to involve itself in this matter because it has indicated that it does not share our concern. They do not have the necessary knowledge of the subject. By 1973 the minister will be so involved with matters relating to the environment that our case at the Law of the Sea Conference in 1973 will be a feeble one.

The result of these changes, I submit, will bring no real, discernible advantages with respect to fisheries administration. On the other hand, I can foresee and point out some of the possible disadvantages. I think it is also fair to repeat that we are concerned that there may be cases where there will be a conflict—

The Deputy Chairman: Order, please. I regret to interrupt the hon. member, but his time has expired.

[Mr. McGrath.]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): It is my duty at this time, pursuant to Standing Order 40, to inform the House that the matters to be raised tonight at the time of adjournment are as follows: the hon. member for Winnipeg South Centre (Mr. Osler)—Inquiry of the Ministry; the hon. member for Notre-Dame-de-Grâce (Mr. Allmand)—Harbours—Montreal—Priority in development of ports policy.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION ACT, 1970

PROVISIONS RESPECTING DEPARTMENTAL REORGANIZATION, MINISTRIES OF STATE, PARLIAMENTARY SECRETARIES, ETC.

The House resumed consideration in committee of Bill C-207, respecting the organization of the government of Canada and matters related or incidental thereto—Mr. Trudeau—Mr. Honey in the chair.

The Chairman: Order, please. When the committee rose at six o'clock, an amendment to clause 3 by the President of the Treasury Board was under consideration.

On clause 3—*Department established*

Mr. McGrath: Mr. Chairman, my time has almost expired. With the consent of hon. members I hope I shall be given an additional few minutes in which to conclude my remarks.

Mr. Knowles (Winnipeg North Centre): With pleasure.

Mr. McGrath: Prior to the adjournment at six o'clock I put on record some of the fears we have about the future of the fishing industry under the new departmental set-up. These fears are well-grounded and well-founded. I feel that we have made some progress. The progress that has been made is testimony of the usefulness of this institution as a legislative and debating forum. As a result of the arguments that have been advanced and placed on the record in the spirit of compromise that has characterized the development of this country, we have arrived at a point where we can say that by being prepared to give a little we can arrive at agreement. We can draw some consolation from the fact that from here on there shall continue to be—

The Chairman: Order, please. I regret to interrupt the hon. member when he is speaking in a spirit of compromise, but I must advise him that his time has expired. The hon. member may continue only if there is unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Mr. McGrath: Thank you, Mr. Chairman. In the same spirit I thank the committee for permitting me to continue. From here on we shall continue to have a Minister of Fisheries. This is part of the reason we put forward the proposition on February 16 in the form of an amendment, which is still before the committee, that the name of the new department be changed from the department of the environment to the department of fisheries and the environment. Having said that, I realize that the Department of Fisheries will disappear. I was reminded of that today by the President of the Treasury Board. I regret that very much, for the reasons I outlined to the committee this afternoon. However, notwithstanding the fact that the department as we know it will disappear, the present incumbent who has been Minister of Fisheries for the past three years will continue to give the fishing industry the attention it will require to meet the demands of the next few years.

• (8:10 p.m.)

If the present minister has retired, gone to another place or assumed another portfolio, we shall still have the consolation of knowing that no matter who succeeds him there will continue to be a Minister of Fisheries by the law of this Parliament. The hon. member who succeeds the present minister might be an environmental engineer from the city of Toronto, like the new deputy minister who is an engineer with no experience whatever of the fishing industry. But at least we shall have the satisfaction of knowing that because reasonable men met here and debated the issue of the fishing industry, an industry so important to Canada, particularly to British Columbia and the Atlantic provinces, the subject will be sure of receiving attention because the minister of the environment has been designated the Minister of Fisheries.

Hon. members of this House who represent constituencies in the Atlantic provinces, British Columbia and parts of Ontario will continue to enjoy the privilege of being able to direct questions in the House to the Minister of Fisheries. Whoever happens to be minister of the environment will be called upon to respond as Minister of Fisheries. That situation, I submit, is a great credit to Parliament—that in the give and take of debate we have been able to arrive at a compromise. After all, that is what has made our nation possible, this type of compromise which I suggest is particularly Canadian.

This is not to say that the fears I sought to express this afternoon are groundless. We have yet to receive an assurance that, for example, there will continue to be a Standing Committee on Fisheries. We would like the government to be consistent by proposing a consequential amendment to clause 4 designating the deputy minister of the environment as the deputy minister of fisheries. However, I am reminded, by signs of renewed attention on the part of the President of the Treasury Board, that you cannot have a deputy minister if you do not have a department over which he can preside. Perhaps this is the most unfortunate aspect of the legislation before us. We shall lose the Department of Fisheries, but at least we shall be able to retain a minister known in Parliament and throughout the nation as the Minister of Fisheries.

For these reasons I reluctantly ask the committee, through you, Mr. Chairman, for unanimous consent to withdraw my amendment to clause 2. In so doing I express the hope that this industry which is so important to my province, where 100,000 people are directly dependent upon it, will be assured in the future of the attention which it deserves from the department. At least it will receive the attention of a minister designated by law as Minister of Fisheries, notwithstanding any other responsibilities he may have by virtue of the bill presently before the House.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I should like to assure the House that I have not become an instant expert on fisheries, at least not in the sense that I intend to speak all evening on the subject. However, my hon. friend from Comox-Alberni has had to go away on public business. There is a point which concerns him very greatly—it already has been expressed by the previous speaker—and I wish to place it again before the committee at this time.

We welcome the amendment which the President of the Treasury Board has moved, placing in clause 3 of the bill a subclause which reads: "The Minister of the Environment is the Minister of Fisheries for Canada". I do not think I would be accused of speaking out of school if I said I proposed something like this at one of the meetings of the House leaders when we were trying to resolve this problem. Pride of paternity is obvious. I think it is a good solution.

Members of my party who are particularly interested in the subject of fisheries are happy to accept this amendment and do not feel badly about the fact that the word "Fisheries" will not appear in the name of the department itself. Nevertheless, my hon. friend from Comox-Alberni and others still feel a way should be found to keep alive the designation "deputy minister of fisheries." I realize it is difficult to have a deputy minister if there is not a department over which he can preside. This is what the President of the Treasury Board has told us. However, let me reverse the table for him. I understand that under the new structure there is to be an assistant deputy minister of fisheries. So I direct the question back to him: How can you have an assistant deputy minister of fisheries if there is no deputy minister of fisheries to whom he reports?

We are to have a Minister of Fisheries who by statute will be minister of the environment. We are to have an assistant deputy minister of fisheries. There is a cog missing, and I think it would be perfectly consistent and perfectly proper to accept an amendment which would

designate the deputy minister of the environment as being also the deputy minister of fisheries.

I am not reneging on the agreement we made when we met as House leaders. I am not asking that the department should be re-established. I see a broad smile on the face of the President of the Privy Council and I am free to admit we fought this out in our meetings. The minister was not prepared to agree with us but he knew, of course, that the subject would be raised again on the floor of the House. I should like to indicate that when we reach clause 4, if a more prominent fisheries member does not beat me to it I intend to move an amendment.

• (8:20 p.m.)

I should like to suggest that Bill C-207 be amended by designating clause 4 as subclause 1 of clause 4 and by inserting immediately thereafter a subclause 2, which would provide that the deputy minister of the environment, when appointed under the provisions of subclause 1, is the deputy minister of fisheries. This does not call for an additional person or body; it simply provides that as we already have a minister of the environment who is also called the minister of fisheries, we should at the same time also have a deputy minister of the environment who is called the deputy minister of fisheries and to whom the assistant deputy minister of fisheries would report.

I suppose I should send this amendment to the table even though it is not possible to move it while we are on clause 3. However, I hope that even though we were not able to win this as part of the package that was agreed to by the House leaders, the government may yet see fit to accept it. It would certainly please the members of my party who are particularly interested in fisheries, and I think members representing fisheries constituencies from all parts of the country would also feel better if this step were taken.

Mr. McGrath: On a point of order, Mr. Chairman, do I understand that the hon. member for Winnipeg North Centre has moved this in the form of an amendment, or is it just a suggestion?

Mr. Knowles (Winnipeg North Centre): I am giving notice that when we get to clause 4 I should like to move it, if my hon. friend does not beat me to it.

Mr. McGrath: But clause 4 has been passed.

Mr. Knowles (Winnipeg North Centre): Have we not reopened the whole question?

Mr. McGrath: No.

Mr. Knowles (Winnipeg North Centre): I think that if by consent we reopened clause 3, it carries with it consent to reopen clause 4.

The Chairman: I think the debate may be academic at this time, but clause 4 has been passed. Perhaps we should confine ourselves to the amendment before the House, and when it has been dealt with the Chair will hear other members who wish to present argument.

[Mr. Knowles (Winnipeg North Centre).]

Mr. Lundrigan: Mr. Chairman, I rise to join my colleague for St. John's East, who is eminently aware of the problems of the Atlantic fishery, as well as the newly-emerged expert on fisheries matters from Winnipeg North Centre, and to make a few comments which are relevant to the bill and to the fisheries of the east coast of Canada. I commend my colleagues, especially the hon. member for St. John's East, for proposing the amendment which, if we can judge from the amendment proposed by the President of the Treasury Board, has been accepted in other words. I also commend the suggestion of the creation of a fully-fledged deputy minister of fisheries, or at least a person with that designation in the new department, a proposal that was even accepted by the New Democratic Party. Even if we accept the amendment proposed by the President of the Treasury Board who is trying to accommodate our earlier request and the one suggested by the House leader of the New Democratic Party, I wonder whether we will accomplish what we as members representing the east coast of Canada are asking for.

I have just finished attending the fisheries committee which heard a presentation by the vice-chairman of the Frozen Fish Trades Association of Newfoundland, a gentleman by the name of Mr. Gus Etchegary. He is as knowledgeable as anybody I know on the Atlantic coast of the problems relating to the fisheries. This gentleman's association has prepared a document entitled "The Newfoundland Trawling Industry and Groundfish Resources". Basically, the document identifies the problems of the offshore industry on the Atlantic coast, not the inshore fishery. One of the conclusions to be found at pages 16 and 17 of the document is as follows:

> What is at stake is not just rising costs that constantly press upon market returns, but the spectre of no resource at all.

This, Mr. Chairman, is one of the conclusions reached by the Newfoundland Frozen Fish Trades Association in their most recent document which contains a marvellously-researched inquiry into the state of the Atlantic fishing industry at the present time. If you thumb through the pages of this document, Mr. Chairman, and read the presentation made to the fisheries committee, I doubt whether you will find any evidence that has not been presented previously to the House of Commons.

We in Canada are going through a stage where the people are becoming increasingly disillusioned with their institutions of government. The Canadian people are becoming increasingly disillusioned with their municipal governments as well as with their provincial and federal legislatures. And no wonder! The elected representatives of Canada in this House and those people elected to other institutions simply do not pay enough attention to the responses they are receiving from the grass roots of the population.

We who live on the east coast are saying that we are in danger of losing one of the prime resources not only of the east coast but of all Canada. Through this House of Commons we have been telling the people of Canada, the Minister of Fisheries, the Prime Minister and the minister of external affairs that at the moment we are in very serious difficulties as a result of overfishing on the part of

foreign nationals. Yet the response we have received has been manifested in Bill C-207, whereby the government is moving to eliminate altogether the Department of Fisheries.

Only as a result of a deliberate and determined effort on the part of members from the Atlantic region in this House did we get the government to respond with this compromise of letting the Minister of Fisheries wear two hats. Only because we threatened to sit here and talk about the bill until October did we get this minimum response of letting the minister of the environment also act as Minister of Fisheries.

I have before me an organizational chart which was presented by the Minister of Fisheries to the fisheries committee and to which I wish to refer in a moment. Before I do so I want to reiterate the comment of my colleague from St. John's East that already there is a good bit of evidence that can pointed to that the government is deliberately downgrading the role of the fisheries and marine resources of this country. Other nations, such as the Soviet Union, the Germans, the French, the Americans and the British are renewing their efforts with vigour and determination in the area of marine resource development. At the same time we are downgrading our efforts. The people on the east coast of Canada want an intensification of the efforts of the federal government in the field of marine resources, yet it responds by downgrading its role. What is the trouble? What is happening?

We have already seen a good bit evidence that there is a downgrading of the role of the fisheries. I would be quite satisfied for the purpose of the record to state that I am not getting the same response to my correspondence from the Department of Fisheries that I used to get. This afternoon the hon. member for St. John's East referred to the efforts made by the fisheries committee. Since I have been a member here I have been a member of that committee. This committee has met day after day after day to deal with every bill and item of estimates that has come before it. The committee has called many witnesses. The Canadian public was becoming educated on the subject of the marine resources of this country, even to the point where there have been programs on national television about marine resources. The people were becoming enlightened about our east coast resources. They were realizing that here was a frontier of resources that needed Canada's attention, that needed cultivating, managing and controlling.

Last year we sat every Tuesday and Thursday for five or six weeks talking about the fisheries estimates. We talked about fisheries estimates and became involved in all the details of expenditures and what they meant, what the implications were, why they were cut back, why they were increased, and the need for further attention. This year we have the fisheries estimates coming before the committee, but the only thing referred to the committee to date is the clean air bill. That was before the committee day after day and we spent all our time studying that matter when we could have been considering the estimates.

• (8:30 p.m.)

The air we have today is the same as the air we had the day the minister came into the committee. He was late getting there because of a cabinet meeting. Through no fault of his we spent only one hour and a half of committee time on estimates, just time enough for him to give us bits and pieces thrown together in an opening statement. There were two or three questions asked by members of the committee, and that was the end of it.

Today we received a response to a request made several weeks ago to have representatives of the fishing industry appear before us to discuss conservation. We started today at ten minutes after eleven and finished at one o'clock—less than two hours on conservation! Dr. Weir, the newly-appointed adviser on renewable resources development, was on the record for about ten seconds. He had a chance to respond briefly to one or two questions. These estimates have to be back in the House at the end of the month. We cannot get a room in which to hold another meeting; we are not sure we will have another meeting on fisheries estimates. This is an example of what is happening to fisheries—and we have not even got this legislation yet.

I have in my hand an organizational chart which formed part of the statement the minister presented to the House of Commons. I am not an expert on management, but there is definitely something wrong with this chart. If there is nothing wrong with the chart, there is something wrong with the government or the department. We have a department of the environment, with a minister. At the second level we have a deputy minister. At the third level we have a special senior assistant deputy minister. At the fourth level we have a number of assistant deputy ministers. If we take the minister away, we have a number of assistant deputy ministers at the third level of this department. This is the situation at the third rung of this administrative ladder.

We have an assistant deputy minister of finance, an assistant deputy minister of atmospheric environment, an assistant deputy minister of lands, forests and wildlife, an assistant deputy minister of water management, an assistant deputy minister of environmental protection and an assistant deputy minister of finance and administration. He does not come directly under the other deputy ministers but bypasses the senior deputy and reports directly to the deputy. We have a director general of policy planning, a director general of research and a director general of intergovernmental affairs. We have nine people at the same level, and among all these we have a deputy official of fisheries.

The Minister of Fisheries has said our fisheries are declining rapidly and our resources are becoming so depleted there will come a time when fisheries administration will not be necessary. If that is so, the government is wrong and the minister is doing away with what little we have left. This is what is happening. I do not know what we have to do to dramatize this problem. Certainly we have gone on record often enough. There is not a member on this side of the House from the Atlantic region who has not stood in his place and talked about

fisheries problems. We have all talked about the depletion of our resources. The only response we have received is a downgrading of the role of fisheries. I do not understand the reason for this.

I can understand the need for a special effort in respect of the environment. No one is silly enough to stand in the House of Commons and deny the importance of special initiatives to solve pollution and protect the total environment. When we are creating new ministers of state for urban affairs, and affairs of women—whatever they are going to do with women—and all this kind of thing, why should we throw out the fisheries? I should like the minister to tell me honestly whether, if this bill becomes law, fisheries will have any status at all in the federal government. I contend it will have practically no status.

Today we received a presentation from the Frozen Fish Trades Association regarding the decline of our resources. We are gravely concerned about what is happening to Atlantic fisheries resources. Approximately one-quarter of our people are directly affected by the fisheries. Some 20,000 fishermen get their livelihood directly from this resource. If you multiply that number by the members of the families supported by these fishermen, you come to the conclusion that one-quarter of our people are directly affected. The largest number of people involved in any industry in our province is involved in fishing. A sizeable proportion of the populations of Prince Edward Island, Nova Scotia and New Brunswick are involved in fishing. In the province of Newfoundland the export of fish products ranks third among all the exports from the province. I do not see how our economy can survive without special effort to protect this resource, giving it long-term protection.

Some years ago we received evidence from fish research people to the effect that haddock stocks on Georges Bank had declined. As a result, Georges Bank had to be temporarily closed. Today we were told by representatives of the fish trades who appeared before the committee—and this was not denied by the scientific people present—that the haddock stocks on Georges Bank have become so depleted it is impossible for the stock to replenish itself through natural processes. In other words, by the time the Department of Fisheries, acting under the minister, got around to imposing quotas or taking remedial or corrective action, the whole stock was depleted. Individuals representing the Frozen Fish Trades Association told our committee that back in 1961-62-63 the Russians launched a naval war against the haddock stocks.

Mr. Davis: 1961-62.

Mr. Lundrigan: The minister corrected me: it was 1961-62. We had one of the richest haddock resources in the world, and it has now become almost totally depleted at the Flemish Cap which is east of the Grand Bank. This is the kind of thing that has been happening to our resources.

We did have a Labrador fisheries. Unfortunately, in the House of Commons we do not have maps, diagrams and pencils to point things out to those members who do not know about such things as the Labrador fisheries. This fishing area is approximately 100,000 square miles. It lies east of Quebec and northwest of Newfoundland. It was one of the great fishing areas. Many hundreds of families would leave Newfoundland with their fishing gear during the fishing season and land on the shores of Labrador. Sometimes they would fish from their schooners. They would fish off the Labrador coast in a fisheries resource fed by the Hamilton Inlet Bank. This lies 250 miles off the Labrador coast. The area near Groswater Bay was a great spawning ground for the Labrador fisheries. Each year the fish would swim in when the warm water arrived. They would move along the shores of Labrador and the inshore fishermen would make great catches.

The most intensive fishing in the history of the Hamilton Inlet Bank fisheries took place in 1968. The greatest culprit was the Soviet Union. That year there was one billion pounds of fish taken off the Hamilton Inlet Bank, one-quarter of which was taken by the Soviet Union. Let me give hon. members an example of the amount of fish this involves. In my riding, the largest fish plant is situated in the community of Twillingate. It employs 350 people during the height of the fishing season. The amount of fish taken off the Hamilton Inlet Bank was enough to keep that plant operating for 100 years. As a result, the Labrador fisheries have been totally depleted. The Minister of Fisheries is aware of this.

• (8:40 p.m.)

I will give an example of the effectiveness of our research staff and facilities. It took three years before the researchers in the federal Department of Fisheries came to the conclusion that the salmon fishery at Hamilton Inlet Banks was being destroyed. The attitude of the fisheries research people, like that of most scientists, is that there must be significance at the .05 level and positive correlation. They must have everything so well defined that there is no possibility of their being wrong before they reach a conclusion. As I have said, with this kind of kick-back from the research people our fishery is being destroyed.

People may wonder why I refer to the Labrador fishery. I suppose it is sentimentality on my part, because this is the traditional period in which preparations are made for the Labrador fishery and it seems this year there will be no fishery there. This year the fishing facilities, the boats, the fishing gear, and so on, will be allowed to warp, decay and disappear because the fishermen will no longer be active. The Labrador Fishery is being destroyed by the Soviet Union right under the nose of the Department of Fisheries. The federal government is not responding fully to the needs of that fishery. It will not respond. This is evidenced now by the move from the Department of Fisheries to the department of the environment.

Neither are they responding at the level of initiative in respect of the governments of other countries. The Prime Minister is visiting the Soviet Union at the moment. Last October we asked that when he visited the Soviet Union

he raise the subject of fishing. However, such a subject is too down to earth for the Prime Minister of our country. This is a real issue, affecting real people, but the Prime Minister does not have time for issues affecting real people. He is too concerned with the environment in the Soviet Union to worry about this problem. He is too content to enjoy a frivolous life than to get down to the real, gut issues facing these people.

I doubt if the Prime Minister during his visit will have the courage to mention the four-letter word "fish". He will certainly mention a four-letter word, but I doubt very much if he will mention the four-letter word "fish" to the sophisticates of the Soviet Union who are our greatest enemies in respect of destroying the fishery.

The Chairman: Order, please. I regret to interrupt the hon. member, but I do so to advise him and the committee that his time has expired.

Mr. McGrath: Mr. Chairman, would the committee be disposed to allow the hon. member for Gander-Twillingate to conclude his remarks?

The Chairman: The hon. member may, of course, continue if there is unanimous consent by the committee.

Some hon. Members: Agreed.

Mr. Lundrigan: Mr. Chairman, is it not right that since the hon. member for St. John's East has now spoken, I am all right again?

The Chairman: I do not think the hon. member can assume that.

Mr. Lundrigan: I will try, anyway, Mr. Chairman, and see if my assumption is correct. Last summer, when we ran into a lot of problems in respect of our Pacific coast fishery, the Minister of Fisheries came under a lot of pressure from British Columbia because of the action of the Soviet Union and its involvement with some of the local fishermen, their gear, and so on. As a result, the minister properly took the initiative of convening a meeting with the Soviet people. They sat around a table and resolved the matter.

Our problem is not quite the same. However, we were annoyed that the Minister of Fisheries neglected to include in the negotiations representatives from the east coast of Canada. We continued to pressure the minister to bring about such a meeting. Over and above such meetings at an administrative level, there is a great area in respect of bilateral discussions, and so on, with France and other countries involved in our fishery which is not being pursued. The minister responded that if given the opportunity he would raise the matter with the Soviet Union.

The Prime Minister was also made aware of this. He was supposed to go to the Soviet Union last October, and as we know he had to postpone that trip because of the situation here. He arranged his visit for this month. We told the Prime Minister of the need to raise the question of our marine resources when he visited the Soviet Union. We did not receive a very good response from the Secretary of State for External Affairs. I do not criticize him for that because he really does not understand fishery problems; he is like a fish out of water. I am not referring to his personal ability as a minister, but he is certainly not in his field when talking about conservation of marine resources.

In any event, as a result of our representations we anticipated that the Prime Minister would be briefed for his visit to the Soviet Union. He was supposed to leave on Sunday. Late in that week no information was available to indicate that he had been briefed on the Atlantic fishery. Consequently, before his departure on Friday members of our party made representations to the Prime Minister's office asking that the Prime Minister include the conservation of marine resources on his agenda. We asked that he also include the question of the well-being of the people of the Atlantic region, and this great resource of Canada, in discussions with the greatest offender in respect of the harvesting of our resource.

We received a response of one sentence saying that our letter had been received in the Prime Minister's office. We assumed that the mail has not deteriorated to the extent that they did not receive the letter. We received no assurance that the Prime Minister agreed to take up this subject or indeed, what subject he would take up with the Soviet people. We approached the Secretary of State for External Affairs about this in the House and the minister acknowledged that the topic of marine resources would be on the Prime Minister's agenda. That is the last we heard of it. Perhaps he will talk about it during cocktails in the evening and while sampling caviar. Caviar is the type of thing which might have some relevance to marine resources, so perhaps it is on the agenda. Since caviar is a marine resource, which reminds us of the plight of the fishery, it ought to find its way into some of the discussions. However, I have not heard anything to indicate that the Prime Minister has made the Canadian position known in respect of our marine resources.

Tomorrow there is to be a meeting of ICNAF. The meeting is to be held in the Atlantic region. It is to be attended by representatives of the countries involved in the Atlantic region of ICNAF. These meetings have been taking place since 1949—for the same number of years we have been part of the confederation of Canada. The meetings are attended by, I believe, the representatives of 12 countries. They talk about the resources. They supposedly share data which has been accumulated. They make presentations and recommendations. These recommendations have been made since 1949 and practically none of them have been acted on. The data is so insufficient it is ludicrous to try to draw conclusions from it. One of the most informed members of ICNAF said that at these meetings they do not have sufficient data from which to draw conclusions.

• (8:50 p.m.)

The Minister of Fisheries is prepared to tell this House and the Canadian people that the government is satisfied it is making representations to ICNAF, and tomorrow the

minister leaves to make a presentation as well. Over and above the ICNAF meetings we have suggested that there be a continuation of bilateral discussions with the nations involved, with a clear, definitive statement issued on the Canadian position with respect to marine resources. We have suggested that this be presented to the countries involved and that Canada show some aggression and leadership.

I think it was in 1958 that article VII, agreed to by the Geneva conference on the Law of the Sea, gave Canada the right to impose, unilaterally, conservation and management controls in the event that Canada was not able, bilaterally or multilaterally, to bring about agreement on the necessity of such controls. But Canada has never taken any initiative along those lines.

The Minister of Fisheries has referred to the fact that an international conference on the Law of the Sea is supposed to be held in 1973. He may recall that two years ago he indicated that such a conference would be held in 1971. Now he says it will be held in 1973. However, we can generalize from the meeting two weeks ago of the Fisheries Council of Canada that there is not likely to be a conference held until 1975. As a matter of fact, I think it is pretty well public knowledge that the countries of South America are no longer interested in discussing matters of conservation at an international conference on the Law of the Sea. This is because they have nothing to negotiate. They have extended their territorial waters for a distance of up to 200 miles off their shores. Neither do we expect the Soviet Union to support conservation measures since its fishermen have been harvesting our resources day after day.

As I understand it, there is almost no agreement on a date for the holding of a conference on the Law of the Sea and almost no agreement on the agenda for such a conference. Certain countries have been trying to prepare an agenda, and have been making representations to the UN body which is charged with the responsibility of administering preparations for an agenda. In fact, I understand it will take up to two years for all countries to agree even on the agenda. It is this kind of thing which is frustrating to Maritimers. We are convinced that the federal government is not going to reverse the trend it has started to downgrade the fisheries.

I do not know what the government's next answer will be for the east coast of Canada.

An hon. Member: You don't know anything.

Mr. Lundrigan: If I could have the ear of the Minister of Fisheries for a moment, I want to draw his attention to some recommendations that came before the fisheries committee today. I will only briefly mention them.

Mr. Guay (St. Boniface): You are slipping, John.

Mr. Lundrigan: The hon. member for St. Boniface is contributing some air pollution to the gathering. Would he like to make public what he is saying? I can't understand his interruption; and his colleague to the right is making some kind of queer, growling sound.

[Mr. Lundrigan.]

Mr. Guay (St. Boniface): You wouldn't understand anyway.

Mr. Lundrigan: It is something that has nothing to do with fisheries.

Mr. Guay (St. Boniface): In fact, you don't understand anything.

Mr. Lundrigan: Mr. Chairman, if the posterior of the hon. member for St. Boniface had anything more constructive to say than he is now saying, he should place his head where his posterior presently is.

Mr. Guay (St. Boniface): Careful, John.

The Chairman: Order, please. The hon. member for Gander-Twillingate has the floor.

Mr. Lundrigan: Mr. Chairman, this is a manifestation of the kind of attitude that emanates from the government side, and it is the kind of thing that will cause a great deal more frustration on the east coast of Canada. Two years ago we fought for the hon. member for St. Boniface to get a fresh fish marketing board. The government did not want representatives of his fishermen on that board and we had to fight like the dickens to get them included. He was there in his seat and he couldn't very well fight the government benches, because that is treason. On television, on Sunday night, the hon. member for Trinity said that this is a form of treason, and when you commit this sort of treason you have to start your own party. But the hon. member for St. Boniface isn't ready for that.

Mr. Guay (St. Boniface): On a point of order, Mr. Chairman, I would ask whether the hon. member for Gander-Twillingate is speaking on the bill in question, or is he trying to question me? If he would like to question me I would be quite willing to answer his questions at any time. But I would like to know if he is speaking on the point in question. If that is the case, then I want to know what the point is.

An hon. Member: You are the point of order.

The Chairman: Order, please. The hon. member for St. Boniface is speaking on a point of order.

Mr. Guay (St. Boniface): I am, Mr. Chairman, because I want to know whether the hon. member would like to question me or whether he would like to speak to the bill that is before us.

Mr. Reid: Good God; he doesn't want to speak to the bill. He doesn't want to ruin the House of Commons.

The Chairman: Order. The hon. member for St. Boniface has risen on a point of order. I think the hon. member for Gander-Twillingate was in fact in order. He was dealing in general with the subject matter of the clause and of the amendment before the committee. If the hon. member for St. Boniface wishes to take the floor later, he may do so and I will recognize him.

Mr. Lundrigan: I was hoping that the hon. member could continue his point of order for another four or five minutes while I leafed through my notes. But, Mr. Chairman, I want to apologize to my colleague from St. Boniface, who is one of the greatest members of the House. I guess he got carried away a little in the heat of debate and so evoked that kind of response. I would not like to leave it that way on the record.

Seriously, Mr. Chairman, the fish trade has made several recommendations to which I would like to draw the minister's attention. They are on the official records of the committee, and rather than repeat them in full I would like the minister to take heed of them. One of their recommendations centred on the need for the immediate creation of a special task force to consider Canada's fishery problems and to determine a policy which would best serve the needs of Canada while considering the collective interests of the fishing nations operating in the northwest Atlantic on the continental shelf.

The association spelled out terms of reference for such a task force so that Canada may move very aggressively toward the achievement of some concrete results in the area of management and conservation of our fishery resources. I think the suggestion is a commendable one. Whether it could be accepted as presently recommended or not, I do not know, but the principle is one I would commend to the minister.

The Newfoundland association also recommended the closing of certain areas of the east coast fisheries for the purposes of conservation. For example, it recommended the closure of all fishing activity on the haddock spawning grounds of the southern Grand Banks for the period June to September, which is the spawning period for the haddock fishery. It also recommended—this is related to my remarks on Hamilton Inlet Banks—the closure of all fishing activity on the Labrador-Hamilton Inlet Banks from January to April, which is the cod spawning period.

I point out that this is one of the main industries in the Atlantic region. It has millions of dollars invested in it, yet it is recommended that the federal government cut off fishing altogether for certain periods of the year in certain regions of the continental shelf off Newfoundland. When a body which is dependent on harvesting these resources, to an extent that one would tend to think it would be greedy enough to want to grab all the resources it could, recommends this kind of conservation, I say that the government must pay attention to it. Those engaged in the industry are not being unselfish. They realize that unless some of these moves are made, within a decade there will not be enough money, even in the pockets of highly paid Members of Parliament, to buy a good codfish meal in the Atlantic region.

• (9:00 p.m.)

In the codfish industry I know of one plant which in 1962 processed 12,000 pounds of fish, 94 per cent of which was cod. Last year the percentage of cod was about 30. I have checked with a number of communities in Newfoundland and found that this time last year fishermen were returning with half a voyage of fish and this year there is no sign of fish. A "voyage of fish" is a Newfoundland expression which means a good catch; a man would be able to pay his expenses and have enough money to feed his family. The traps are out in the water around the coast of Newfoundland, but day after day they have to water-haul the traps and there is nothing in them. Years ago the fishermen could not get a boat big enough for all the big, black, beautiful codfish and today you cannot get a fish to eat. The Minister of Fisheries and Forestry knows this.

I have no quarrel with the new initiatives or with the creation of the department of the environment. I admire the minister for his efforts. His academic qualifications and his experience make him well suited to play a role in this department. But would he not consider going back to the Prime Minister with the recommendation that the fisheries not be downgraded? If we ever needed special initiatives and new directions in fisheries, we need them now. The minister has been paying attention and I have seen him making notes, so I am sure he intends to make a few remarks. I hope he responds to our statement. Aside from his expertise in the fields of environment and fisheries, he is well qualified in the area of management. Is it not a fact that once this bill becomes accepted, fisheries will play a minor role in the new department? That is a step in the wrong direction if it is assumed that fisheries are important.

There are nine people in the new department, and the senior official with regard to fisheries ranks fourth. If the minister could explain to an ordinary fellow like myself how our fisheries can continue to occupy a position of importance in the federal hierarchy, I would be satisfied not only to sit down but to strike certain of my remarks from the record. However, I am afraid that unless some sanity is built into this matter now, there is not much hope for the Atlantic region. If we do not get new initiatives in the area of marine resource management and control, there will be an increase in regional disparity. In 1968 the Prime Minister said that he was going to eliminate regional disparities, but if we do not get more initiative in the area of marine resources there will be an increase in regional disparity in the Atlantic region.

If this charge is fair, then I contend that the Prime Minister has the onerous task of bringing some sanity to the decision-making process of his government. I feel so strongly about this that if some action is not taken to correct the down trend, I do not feel any urge to be part of a system that leaves our people out on a limb. People from Newfoundland cannot come here to express their feelings, nor can people from Nova Scotia, Quebec, New Brunswick or Prince Edward Island. I am not exaggerating when I say that there has never been such frustration felt by the people of Newfoundland regarding the response from the federal government.

If the Minister of Fisheries and Forestry and the Prime Minister allow this situation to continue, I do not know what we can advise our people. I would not want to go as far as the Premier of Newfoundland, who yesterday advised the people to break the law. I don't know what the law says on the question of sedition, or seditious

conspiracy but I do not want to advocate that people break the law.

If the federal government is not prepared to listen to what members from the east coast have to say, we may have to start leading some movements to get action. We cannot bring the fishing boats on Parliament Hill, as the farmers did the tractors, but when the Prime Minister returns from the Soviet Union we will have plenty to say. We may have to amend some of the rules of the House of Commons.

I should like to continue for another five or six hours, Mr. Chairman, but I do not think I could make much impression on some of the members from western Canada.

Some hon. Members: Carry on.

Mr. Lundrigan: The freshwater fish industry was declining there and we worked hard for the westerners to get fresh fish marketing through the House. I hope western and central Canadians realize that we are not asking for a hand-out but just for some protection. Our fisheries resources, from shellfish to kelp to Irish moss, require proper policies and management in order to develop them to make a contribution to this nation.

We are frustrated because somebody has designed a model for our development based on Montreal. It has to be big, have tall buildings, great smokestacks and pollution and all the characteristics of the feasibility study, the input of data and the feed-out, giving all kinds of anticipated returns on the investment. It must have all these before we get the ear of the Prime Minister. We want the federal government to exercise more initiative with our marine resources so we can pay attention to the real needs and potential of our people.

Why can we not get a positive response? Are we going about it the wrong way, talking too much and not giving enough evidence? There is no sense our continuing and trying to be enthusiastic about contributing to the Canadian nation if the Canadian nation does not want our contribution. Before this bill goes through I should like the minister to expound on how we might get the initiatives for which we are asking.

• (9:10 p.m.)

I do not want him to tell us that they met this week with the French and had a brief discussion, that the Prime Minister ate caviar in the Soviet Union, that there is to be an international Law of the Sea conference in 1973, that ICNAF people are to meet tomorrow—that is not the answer—or that we will phase out the traditional rights of traditional fishing nations over the next decade in the Gulf of St. Lawrence. By the time they phase out those rights the Gulf will be a dead sea; there will be only salt in it. That is not the kind of initiative we want.

I hope my ramblings are reflecting my frustration as an elected member representing 75,000 people who are almost totally dependent on the fishing industry and whose unemployment rate reached 16.4 per cent in April. Is there any Canadian in the House of Commons or in Canada today who cannot appreciate our frustrations? Would any representative from Quebec, and the people from Quebec, not be dissatisfied with a 16.4 per cent unemployment rate? What would happen to hon. members from Ontario, who are resigning day after day, if unemployment in their province reached 16.4 per cent and if a great resource industry such as fisheries were to disappear? It is disappearing from the east coast and from the House of Commons, so to speak.

I see that my colleague from Vegreville has just entered the chamber. What would happen if there were a 16.4 per cent unemployment rate in Alberta or in British Columbia, which have great resources? What would they do in those provinces if they suffered that kind of unemployment rate? Do you think that there would not be a revolution, uprisings and broken windows? Do you think the Prime Minister would not be presented with bologna sandwiches if he visited those provinces?

We are a peace-loving people and therein lies our problem. We think justice will be done because it deserves to be done and because we need justice. The fact is, though, that we are not getting justice. We are not getting a square deal out of confederation and we are not getting the response from the federal government that we deserve. So I say to the Minister of Fisheries and Forestry, to the Secretary of State for External Affairs and to the Prime Minister that they had better talk about more than the Constitution in Victoria when the conference takes place next month. There is a very sad state of affairs in this country. We are out of touch with the people and there is growing frustration on the part of many about the response they are getting from elected governments. We must respond to them if Canada is to continue as a viable, economic unit and as a country with ambitious and energetic people. My plea is not only on behalf of the fisheries; it is generalized for the whole Canadian nation.

Mr. Crouse: Mr. Chairman, I welcome the opportunity to speak briefly on the proposal made by the President of the Treasury Board which seeks to amend clause 3 of Bill C-207. This amendment is in keeping with the proposals that were put forward by the hon. member for St. John's East. The amendment states that the Minister of the Environment is the Minister of Fisheries for Canada. That, of course, is a step in the right direction but it is only a step.

Anyone who listened carefully to the remarks just made by the hon. member for Gander-Twillingate will have, I am sure, a better appreciation of the situation existing in Atlantic Canada regarding its fishing industry. He covered many of the points at issue and put them forcefully before the government. What is needed now is action by the government. The hon. member covered many of the points to which I intended referring.

It is evident to those of us who live in Atlantic Canada that the fishing industry faces many serious problems. It is also evident to us that the government is downgrading this industry. I say that for several reasons. I am not quite sure what the minister will be called if the amendment is accepted. Will he be

Minister of the Environment and Minister of Fisheries? At any rate, apart from the minister there are to be a deputy minister, a senior assistant deputy minister and nine assistant deputy ministers and directors general, of whom one will be the assistant deputy minister of fisheries. In our opinion and in the opinion of those who have studied the legislation and this division of authority, it is difficult for anyone to believe that the government realizes the importance of this industry to Atlantic Canada or to the nation as a whole. Under this division of authority we cannot help asking who will be taking the initiative in helping to solve some of the many problems which were so adequately described only a moment ago by the hon. member for Gander-Twillingate.

Ever since 1964—that is going back a long way, Mr. Chairman—when the Liberal party was rich in promises we have heard about great policies and programs for the fishing industry. We heard the then Secretary of State for External Affairs promise that the Territorial Sea and Fishing Zones Act would be implemented immediately. Mr. Chairman, this is 1971 and only now is that legislation in the process of being implemented. For that I give marks to the Minister of Fisheries and Forestry.

Some hon. Members: Hear, hear!

Mr. Crouse: At least he is working on it. But he has a long way to go. As yet we have no idea of the length of time that will be required for the phasing-out of fishing operations of certain countries which claim they have territorial treaty rights in our waters. It is obvious that we have entered into international agreements but there is no provision for international enforcement. That is where we have fallen down. I have read books and books about meetings which have been held and steps which have been taken. We reach agreements but it is obvious that there is no provision for international enforcement.

For example, the Law of the Sea conference in 1958 approved certain conventions. Article VII provides that a coastal state may adopt conservation measures unilaterally, provided negotiations with affected states are not concluded within a six-month period. This convention is known to the government. It was known in 1964. Fishing interests in Atlantic Canada are still asking: Why did the government not implement article VII? It is interesting to read the article. I will not burden the committee with the entire report which that conference adopted.

There were 86 nations which considered 73 articles of the International Law Commission. In all, they adopted 75 articles and produced international conventions on the continental shelf, on territorial seas and contiguous zones, on the high seas, on fishing and conservation of the living resources of the high seas, and so on. The report states that the convention can be judged to have been an outstanding success. Some of the things that were passed by this conference I believe should be put on the record tonight. They relate to the high seas and, of course, in part to our problems in Atlantic Canada.

One of the articles provides that when conservation measures have been adopted on the high seas by any coastal state, those measures must be observed by fishermen from other countries. That was one of the conventions adopted by the international Law of the Sea conference. Another article provides that in emergency situations the coastal state may unilaterally enact necessary conservation measures on the high seas. And so it goes.

We wonder, Mr. Chairman, why these conventions approved at the 1958 conference, many of them having been moved by Canada, have not been acted upon by this government. Their inactivity has resulted in some of the problems that were put on the record tonight by the hon. member for Gander-Twillingate. We are now facing serious problems in the depletion of our fisheries resources through overfishing and high seas' pollution due to oil spills and mercury. One area of concern in pollution has to do with swordfish and tuna. I wonder why we devote our arguments and powers of persuasion to the subject of standards for mercury levels in fish. We know that mercury is a poison. It may not be present in quantities sufficient to kill or disable the average meat and fish-eating North American; however, we know from the Japanese experience that the people of fish-eating nations may be severely affected.

• (9:20 p.m.)

For years we in Atlantic Canada have based our hope for the future of the commercial fishing industry on the fact that it would not be much longer before the pressures of population in this country forced us to depend more and more on the resources of the oceans. Therefore, it makes no sense to quibble over a few parts per million of mercury, even though there may be honest doubts as to the correct tolerable levels. These arguments may suffice to extend economical fishing for a few years, but they will do little for future generations which may be faced with the inability of making their living from the sea. I submit there are two courses of action open to this government. We can continue to demand research in the toxicology of pollutants: we can make a plea to the source of the pollution because we cannot continue to tolerate thoughtless disregard of our sea resources.

I ask the minister what progress had been made in determining the source of mercury pollution. This is an important matter. I would like to know what efforts he has made to terminate mercury pollution in the high seas. What steps are we taking to encourage aquaculture in Canada? We are trying to clean up our Great Lakes, but I wonder whether Pacific salmon production techniques can be applied to the Great Lakes with any degree of success. I know that experiments have been carried out, but the minister is so busy—and will be even more busy—that we have not had a paper on the progress which has been made in establishing salmon in the Great Lakes and in some areas of Atlantic Canada.

Sea farming needs acreage, if it is to succeed, especially for the raising of shellfish, the most promising seafood for cultivation. Fish, lobsters and shrimp could well prove to be feasible crops. Considering present technology, clams, oysters and mussels offer the best choices. Sea worms and sea moss are two other promising non-food crops. If the minister has time to answer some of our

questions, I would like to know whether any progress has been made in aquaculture.

Today's commercial fishermen face though going. We have pollution, which takes up a lot of the minister's time, foreign fleets, depleted stocks, aging boats, rising costs and rising competition in our markets. The prospect of a whole new arm of the fishing industry in coastal towns means strength and support where it is needed and would be helpful—right at home.

What steps is the government taking to encourage and develop aquaculture? What are we doing to increase stocks of salmon for both commercial and sport fishing? What steps are we taking to protect our existing salmon stocks from overfishing in the high seas? This point was thoroughly dealt with by the hon. member for St. John's East. It bears repeating. We have learned that the Minister of Fisheries is required to go to Denmark in order to discuss overfishing of Atlantic salmon by that country while only this week the International Commission for the Northwest Atlantic Fisheries is meeting in Halifax. I wonder why this move is necessary. Why can this problem not be adequately dealt with by the International Commission for the Northwest Atlantic Fisheries?

I would like to have some information about the 1973 Law of the Sea conference. The first meeting preliminary to the 1973 Geneva conference ended on March 31 with the formation of a subcommittee instructed to prepare a preliminary agenda for the 1973 convention. The next preliminary meeting is scheduled for July and August of this year. It is my understanding that the subcommittees working to reach agreement with the 86 nations participating in the convention are probably the key to success or failure of the convention.

What is the policy to be proposed by the United States at the convention, especially with regard to coastal jurisdiction over fisheries resources? This is a very important point, especially to Canada. Are the Soviet Union and Japan lobbying for or against coastal jurisdiction? If they are lobbying against it, what are we going to do about it? This morning a representative of the Newfoundland Fish Trade Council, Mr. Gus Etchegary, appeared before the committee. He told us that in his opinion there were doubts whether the 1973 international convention of the Law of the Sea would be held. We have been told that some Latin American countries are working against holding the conference. The reason is quite understandable. They have already established their territorial seas as being 200 miles from their coastlines. They certainly are not interested in negotiating a 12-mile limit.

What is Canada doing to obtain agreement on our proposals on coastal jurisdiction? Whenever we ask these questions of the Secretary of State for External Affairs, whom I am glad to see in his seat tonight, or the Minister of Fisheries, we only get vague answers. The Secretary of State for External Affairs has a pleasing personality. I do not dislike him. However, I submit that as Minister of Finance he was a failure. He has won the distinction of being a failure in his own time as Secretary of State for External Affairs. I say this because the Prime Minister is travelling in Russia and announcing a foreign policy for Canada, the details of which are unknown to the hon. member for Eglinton.

This was evident today when the hon. member for Cape Breton-East Richmond asked him a question about the threat to our national identity as posed by the United States. Evidently the Secretary of State for External Affairs does not know that his leader has claimed in Moscow that we as Canadians must affirm an independent foreign policy in the face of "the over-powering presence of the United States of America". What rubbish! What rot!

It is obvious that we are no longer held in high regard or esteem by our former European allies, because the Secretary of State for External Affairs, according to reports, is unable to obtain agreement from these fishing nations to respect our laws dealing with fisheries conservation and management. As a result of waffling and wavering, we have seen our inshore industry destroyed and the offshore fishery resource seriously decimated. Stocks of haddock are almost extinct. Our stocks of herring are down to something like 75 per cent of their abundance of 10 years ago. Redfish, yellowtail and hake are three other species which are showing signs of complete depletion.

It is obvious that the minister of the environment who will also be Minister of Fisheries, with approximately 13,000 workers under him, will have more than enough work cut out for the next few years, if he is there that long. We need an international fisheries branch within the fisheries department which has as members of its senior staff a number of experts on international matters. I hope the minister will give this matter urgent consideration in view of the obvious need and complete neglect of the fisheries problem by the Secretary of State for External Affairs, and in view of the serious international negotiations which must be undertaken by fisheries officials in order to salvage this important basic industry.

Finally, I want to point out that we do not need another study of our problems. We have had studies at the provincial level, the federal level, the federal-provincial level, the industry level and the international level. What we are now hoping and asking for is some action. I am concerned that the government, instead of upgrading the fisheries department has now placed it some 40 fathoms down on its administrative ladder.

One other point is with regard to the estimates of the department of the environment which total approximately $73,465,000. I serve on the Standing Committee on Public Accounts. From time to time witnesses appear before that committee. When we question an expenditure they are trained to tell us that it was approved by Parliament. I want to state this evening that, as a member of the fisheries committee, the estimates of that department have not been approved by the committee. We simply have not had an opportunity to deal with them. We have been dealing with clean air, clean water and everything else under the sun, but the estimates of the Department of Fisheries have not been scrutinized by the members of the committee. As has already been pointed out, we are not certain we can even get another half day to study the departmental expenditures, with

the result that they will come back to the House at the end of this month without a thorough scrutiny by the members of that committee. That is not good management nor is it good housekeeping.

• (9:30 p.m.)

I want it on record that we have never had an opportunity to examine these estimates thoroughly in order to point out to the minister and his officials where they are going wrong and what ought to be done to make the fishing industry in Atlantic Canada a viable and prosperous one, as we who live in that area believe it could be.

Mr. Lundrigan: Does no one on the opposite side intend to get up and make a few remarks? From New Brunswick alone there are five members, as I understand it, who have fisheries—

Mr. Mahoney: Which clause are you on?

Mr. Lundrigan: Never mind which clause. The Parliamentary Secretary to the Minister of Finance over there—

An hon. Member: What is his riding?

Mr. Lundrigan: Calgary, somewhere or other. Perhaps he should listen once in a while and try to learn something.

Some hon. Members: Order.

An hon. Member: What about you?

Mr. Lundrigan: There are five members from New Brunswick. There is a serious issue here. Our fisheries are being downgraded. We are not talking for the sake of talking.

Mr. McGrath: He wouldn't understand.

The Deputy Chairman: Order. The Chair has tried to be lenient but it is difficult for the Chair to press members to take part in the debate. I do not think the hon. member can pursue that line unless he addresses himself to clause 3 which is now before the committee.

Mr. McGrath: Before the question is put I should like to reinforce the suggestion made to the committee by my hon. friend from Gander-Twillingate. We feel we are entitled to some kind of response from the minister to the arguments we have placed before the committee, particularly since there has been so little time to deal with this matter in the estimates. There is an amendment which affects the minister's status. Surely it is not too much to expect some reaction from him.

Mr. Davis: Mr. Chairman—

Some hon. Members: Hurrah!

Mr. Davis: First, I should like to say that the amendment before the House is a good amendment, certainly one which I can support. I should like to comment on the words of some hon. members opposite. Basically, they have been claiming that the government has been downgrading the fisheries. Well, if actions speak louder than words, we have been upgarding the fisheries in the last two or three years.

Some hon. Members: Hear, hear!

Mr. Davis: Certainly we have passed far more legislation relating to the fisheries than was passed in several other Parliaments. In addition, we have passed several notable pieces of legislation dealing with pollution—in other words, with the environment of living things in water. I might remind hon. members opposite of some of these pieces of legislation. We have gone into the market, in effect, and bid up the prices of fish exported from Canada. At the moment, the price fishermen receive for their products is far higher than it has ever been in the nation's history. That is No. 1.

Some hon. Members: Hear, hear!

Mr. Davis: Then, again, we have drawn a fisheries map of Canada around our shores and we are in the process of phasing-out the operations of a number of nations which have been fishing particularly on the east coast for hundreds of years. That is No. 2; and it is, I believe, another substantial accomplishment.

Some hon. Members: Hear, hear!

Mr. Davis: It is also a fact that for the first time in the history of the fishery—I am dealing now particularly with the North Atlantic, though it applies to both coasts—we are establishing quotas which can be sustained for the indefinite future, quotas in respect of the total catch which will be observed by all nations fishing in the West Atlantic. Within the total quota we shall establish national quotas as well. Nothing could do more to sustain the incomes of commercial fishermen than this.

I would be the first to admit we have problems in connection with a number of fish species, particularly on the east coast. We shall have to do our utmost to arrest what has been a decline in the volume of catches by our inshore fishermen. This is a top priority problem and one to which the government must continue to address itself. It is one which the new department of the environment must rate ahead of any that it faces, and our organization, I think, will reflect this.

Mr. Yewchuk: Would the minister permit a question? The minister indicated that the action of his department raised the price of fish. Is he aware that the fishermen around Lac La Biche have been getting less for their fish since the establishment of the marketing board than they did before?

Mr. Davis: That is not true. When the Freshwater Fish Marketing Corporation was set up, prices were roughly those of 20 years earlier. In the first year we achieved a rise in price amounting to more than 33 per cent. We have had the same experience with respect to the Saltfish Corporation on the east coast. In other words, there has been a marked improvement in the price paid to the fishermen. Also, they have known in advance what the price would be and are in a far better position now than they have ever been.

Some hon. Members: Hear, hear!

Mr. Davis: I should like to deal more particularly with the charge that by creating a department of the environment, by making the fisheries element part of a larger department, we are downgrading the fisheries. The biggest single problem the fisheries have faced over the years, in addition to depletion of stocks through overfishing, has been the effects of pollution, the damage to fish runs in all our major rivers by big industries and chemical processes.

From now on I expect this problem, if not tackled properly, will be problem No. 1. But we intend to tackle it and we can do so more effectively in the context of the department which is concerned with the quality of water and air. Air pollution can effect water, too; note the fact that the oil pollution of the ocean derives far more from the air than it does from spills into the water. We are concerned about water and air pollution and these are also important factors to be taken into account when considering the value of the fishery.

Some pessimism has been expressed about the state of our international negotiations. Canada will be one of the principal nations at the United Nations Conference on Environment and Human Health, in Stockholm in 1972. My understanding is that in 1973 there will be a United Nations-sponsored Law of the Sea conference. We have already developed a policy with respect to that conference, one which we believe we can sell to the majority of nations attending. No fishing for salmon on the high seas: we should be able to put that one over this time around. We did not succeed in the late fifties; perhaps we shall do so in the early seventies. If we do, we shall be able to rebuild Atlantic salmon stocks by establishing hatcheries and spawning grounds on the east coast. We have maintained salmon stock on the west coast. We should be able to more than maintain them on the east coast with that kind of international understanding.

There are meetings in Halifax shortly of the 14 Northwest Atlantic nations. The basic theme, as I have mentioned, is conservation, not only the preservation of existing stocks but the rebuilding of stocks to develop a basis for quotas which each country will know it can safely take. I am confident we must show leadership in these fields.

• (9:40 p.m.)

Certainly I am committed to showing leadership, leadership in respect of preservation of resources not only well out in the high seas but particularly over our own continental shelf. It is the biggest continental shelf in the world, in fishing terms, and one of the most productive on the face of the earth. Therefore, it has to be a very important priority both of this new department and of the government.

I think I can say that the record in recent months has been a good one. We have achieved a great deal in terms of price and income to fishermen. We have a great deal more to do with respect to conservation, much of which can only be done in close co-operation with other nations. We are working with them as effectively as we know how and are certainly taking initiatives. The new department has been structured to allow us to do this, and we intend to press on with a number of other matters we have started, with some clear indication of future success.

Mr. Crouse: Mr. Chairman, I should like to ask the minister a question. A moment ago he mentioned his concern about environmental pollution and referred to the action which would be taken under the new measures to control pollution. Would he not agree that the government had the authority to control environmental pollution under the Fisheries Act, which did not allow any deleterious substance to be placed in the water? The problem was that the government was not able to implement the provisions of the act. Is that not correct?

Mr. Davis: Mr. Chairman, I think in a very general way that was true. The Fisheries Act as it stood a year or more ago was not implemented, for the same reason that the Conservative government that preceded the Liberal government did not implement it either.

Mr. Crouse: That is not good enough.

Mr. Davis: This legislation, which was drawn over 100 years ago, provided that nothing shall be dumped into our waters, but it proved impossible effectively to prosecute offenders under that act. We amended the act last year so that we could prosecute offenders effectively. So the answer is that we had to improve the act to make it work, and that is what we did.

Mr. McGrath: Mr. Chairman, may I ask a question of the minister? Does he propose to bring to the ICNAF meeting in Halifax the Canadian proposal to ban salmon fishing on the high seas, or is this merely to be the subject of bilateral talks with the Danes?

Mr. Davis: We will bring it up again, Mr. Chairman. As the hon. member may recall, last year we raised it quite specifically at the ICNAF meeting but were unable to get unanimous agreement. We are raising it again, of course, and we will be raising it bilaterally with Denmark and with West Germany, which are the two real holdouts in this area. There are not many nations in that category which at a world conference would be against the proposal, and that is why I am optimistic about 1973 and getting United Nations support to ban salmon fishing on the high seas.

Mr. Bell: Mr. Chairman, I know the minister has had meetings with and is getting some co-operation from the commercial salmon fishermen in regard to the new salmon regulations. Will the minister say whether the new regulations will be on a year to year basis and that the regulations this year will not automatically continue into next year? In other words, will the minister take a new look at them on an annual basis?

Mr. Davis: Mr. Chairman, I hope that in matters of this kind I will always have an open mind. I am sure that the department is not bound from year to year in regard to the regulations. We have put forward regulations which we think are workable. We will modify them as occasion

requires. We have laid them out and hope that they will be debated very seriously. Possibly further changes are necessary, but I hope not.

Mr. Lundrigan: Mr. Chairman, a few sentences in response to the statement of the minister. If the minister of external affairs wishes to make a comment about the present position of the Canadian government on foreign overfishing, I will sit down for the next 15 minutes.

The Minister of Fisheries has made a puny and puerile statement in defence of the charges that were made this afternoon as he has tried to justify the position taken by this department. The first matter he referred to was that of prices on the American market. If the minister wants to take credit for this, I will give him all the credit he wants, but he knows that prices on the American market today have very little to do with anything that the Canadian government has done. Iceland and other nations trading into the U.S. market are having the same experience as Canada. As a matter of fact, the highest price for fish blocks on the U.S. market was 42 cents, and Iceland is exporting one pound fillets for 69 cents. It is really a firmed-up market. As the minister knows, the price of salt fish results largely from the decline in stocks. There will never be a problem in selling Newfoundland salt fish again in any part of the world, because there has been such a decline in production that we will not have much to sell.

The minister did get applause from his colleagues on one point and I am sure this is a reflection of the lack of understanding—I was going to say "ignorance" but that might give a wrong impression—of the action that he has taken on the east coast in keeping other nations out of the Gulf. The minister talks of the Gulf of St. Lawrence as being an exclusive Canadian fishing zone. I was in the House on the day he got up and bragged about the Gulf being an exclusive Canadian fishing zone. Yet in the very next breath he talked about having to negotiate the phasing-out of other nations. If this is our pond, then is the minister going to put a great big net across the Gulf of St. Lawrence and Strait of Belle Isle so that fishing vessels from other nations cannot get in? This is how the minister talks. He says it is going to take ten years to phase out these nations with traditional fishing rights.

The minister placed a 12-mile limit around the southwestern part of my province. The French came to our very doorstep, and the minister says we do not want to offend the French. I do not know whether it is the minister of external affairs who does not wish to offend the French or the Minister of Fisheries, but the fact is we are pussyfooting around with this problem and the government is showing no leadership.

The minister talked about quotas, which was the third great strike in his favour. He said we have established certain quotas and would take action toward establishing national quotas. As far as the quota on haddock is concerned, our stocks of haddock have declined to the point where they cannot be replenished. By the time we establish closed fishing zones on Georges Bank the stock will be completely decimated. So why talk about quotas in this sort of situation?

The minister then claimed that the reason he is paying so much attention to the environment department is that we have to control pollution in order to save the fisheries. I say that is absolute nonsense. The minister says that we have to control smoke coming from the smokestacks in Montreal, and control the sewage from the Prime Minister's residence in order to save our fishing industry. How is this going to save the fishing industry on the Grand Bank 400 miles off the east coast of Canada? I suggest to the minister that his statement in this regard is absolute gobbledygook and nonsense. Let me tell the minister that there is more to the fisheries of Canada than the fish that swim in the polluted waters of the Fraser River. The minister himself, coming from British Columbia, should recognize that.

The minister says we have to play diplomatic games; that we have to court the French, the South Americans, the Japanese, the Danes and all the other countries who are going to attend the Law of the Sea conference. Is there no room at all for Canadian initiative and aggression? After all, we are talking about our resource. We own the bottom of the ocean on the continental shelf as well as all the minerals and oil, even the crabs and the lobsters that are there. The minister agrees that these resources are ours, even out to the Grand Bank and the Flemish Cap 400 miles off the east coast of Canada. If any plane flies across that area, it must be by bilateral agreement. We have 55 or 60 bilateral agreements in this regard. The resource that lies within this area is fish.

• (9:50 p.m.)

At the Law of the Sea conference in 1958 we were told to take unilateral action if we could not obtain bilateral or multilateral agreement. Is there any initiative on Canada's part in this regard? Do we have to continue pussyfooting with France, Germany, Russia and other countries, getting nowhere? This is what I would like to know. Why does the Minister of External Affairs not get up and tell us whether he is prepared to trade anything for our fisheries resources? Surely he will tell us that Canada will not trade one single ounce of diplomatic or international good will or relationship for our fisheries. Is this true? Let us have the truth here in the House of Commons.

Is the Minister of Fisheries prepared to go to France and state we are not satisfied with the action they are taking in respect of fisheries on the east coast of Canada, and we intend to do something about it? Will he say that, or will he go over and kiss the back of the hand of whoever is sent from France and say they are a great bunch of fellows and we want them to buy whatever it is they are buying from us—culture, or whatever else—and we are not prepared to talk fisheries?

Is the Prime Minister going to talk hard-nosed facts to the Soviet Union? Is he going to tell them they are the greatest predators, raping our resources and hurting many thousands of our families? Is that what the Prime Minister is going to say?

Mr. Sharp: You should be the foreign minister; you would be wonderful.

Mr. Lundrigan: If I were the foreign minister I would have a little more backbone than the minister sitting over there.

Some hon. Members: Hear, hear!

Mr. Lundrigan: We get about as much direction from him as we would get from a ripe watermelon. He gives no direction. I do not believe the minister is sincere, because whenever he does give an answer it is calculated for its political impact. Every time he does give an answer he has a grin or he is laughing at us as he is laughing tonight. This is the kind of thing that gets under the skin of Newfoundlanders. I would suggest that the minister is not welcome in our province with that kind of attitude.

An hon. Member: Oh, come off it.

Mr. Lundrigan: Why does the minister not stand in his place and tell us the Canadian government's position in respect of our marine resources? What is our position? The minister is going to present something to the Law of the Sea conference. What is our position? Are we going to take action? If the Russians say they are not going to move off and they are not going to restrict their technology, are we going to take aggressive action?

The Minister of Fisheries was told something in the committee today. To be honest, I did not know this and apparently it was not known by the minister's people. This department has no surveillance. The only surveillance it gets is tidbits of information supplied by the air force which deviates from its normal flights. We have been told that the Russians send over mother ships or factory ships and that a number of small vessels are disembowelled from the ships in order to prosecute our fisheries. Apparently the 60 to 70-foot long boats are disembowelled from the great mother ships. This is a concept similar to one used by the Portuguese; they send out fleets of small boats. This is how our resources are being depleted.

Let me inform the Minister of External Affairs that the result of all this is being felt in the homes of many of our people. They are forced to endure a type of poverty and hardship as a direct result of over-fishing by foreign nations. This is what is happening. We all know that thousands of families which used to depend on the Labrador fisheries have had to resort to welfare this year. They can no longer go down to the sea because the Russians cleaned out all the resources on the Hamilton Inlet Bank.

The minister expects the fishermen and members of the House to sit back and take this kind of thing. I hope if there is any backbone or spine attached to office of external affairs in this nation the minister will stand in his place and give us some idea of Canada's position regarding overfishing by foreign nationals off our shores. If we cannot get that, we must assume we are being sold down the drain by this minister. We have to assume this is a form of treason against our people and our country. If the minister is not willing to take this kind of aggressive action, that is the conclusion I must come to as a member from the Atlantic region.

I should like to hear a better rebuttal of the charges we have made. I should like to hear some better rebuttal of the presentation to the committee on fisheries than we have heard from the minister. If we do not hear such a rebuttal we will have to manifest our aggression here. We cannot sit back and take this kind of nonsense any longer.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

Mr. Lundrigan: Are we not going to get some response from the Secretary of State for External Affairs?

An hon. Member: Sit down.

The Deputy Chairman: Order, please.

An hon. Member: Let him talk.

Mr. Lundrigan: Mr. Chairman, I should like to continue with a few remarks, and I am sure some of my colleagues would want to make further remarks tomorrow on this problem.

An hon. Member: You have already made three speeches today.

Mr. Lundrigan: Perhaps I will make five more speeches before this is all over. We have several hours left before the hour of the guillotine at seven o'clock tomorrow. There is plenty of time. We in Newfoundland have existed since 1497. We have hung on for a long number of years and we are prepared to hang on for a little longer. I should like to challenge the minister, not tonight at two minutes to ten but tomorrow when the bill comes up again for further debate, to give us at least a brief resumé of Canada's position in respect of marine resources.

I should like him to tell us the nature of the discussions between the Prime Minister and representatives of the Soviet Union. I am sure this is a matter that keeps him so uptight he is not able to sleep properly when he retires after his busy day's work. I am sure he is concerned about the Atlantic fisheries. I should like the minister to give us some idea of what he has prepared to present to the Law of the Sea conference in 1973. The minister said tonight Canada has already decided its position. Could we at least have some inkling of our attitude toward ICNAF?

The hon. member for St. John's East was wondering if in fact it is necessary for us to continue allegiance to ICNAF when we are not getting co-operation from member nations such as Denmark, which is harvesting our salmon on the high seas in spite of years and years of protestation. Is it worth while seriously considering a continuation of our association with this international commission when we are not getting co-operation?

We want to know whether the Canadian government plans to invest any more funds in practical research on Atlantic fisheries. We were told today that charts used by an Atlantic fish firm, whose representatives appeared

before the committee, were made in 1856. These were the latest charts to be used in respect of the Grand Bank off Newfoundland.

The Deputy Chairman: Order, please. It being ten o'clock, it is my duty—

Mr. Baldwin: Mr. Chairman, I rise on a point of order. We have heard some excellent speeches tonight and I am wondering if it is possible for the committee to continue for a few minutes in order to conclude the committee stage. We could then go on to third reading tomorrow.

Some hon. Members: Agreed.

The Deputy Chairman: The committee can only sit beyond ten o'clock by unanimous consent.

Mr. Baldwin: That is what I am suggesting.

The Deputy Chairman: Does the committee agree that I do not see the clock at this time, for the purpose of completing committee of the whole stage on this bill?

Some hon. Members: Agreed.

Mr. Lundrigan: Mr. Chairman, the fact is that this can only be done on the understanding that we will have a further opportunity to make some remarks, and that the Secretary of State for External Affairs will reply at some stage.

An hon. Member: Oh, sit down.

The Deputy Chairman: Order, please.

Mr. Lundrigan: That is the only condition on which I will give unanimous consent.

The Deputy Chairman: There has to be unanimous consent on the general proposition, without any condition. It is difficult for the Chair to judge whether the minister will speak, so if there is unanimous consent the committee must definitely make up its mind at this time. If that is the case, I will not see the clock and we can carry on.

Mr. Lundrigan: Will the Chair indicate when this matter will be before the House again following conclusion of the committee stage? Will there be an opportunity for further debate?

The Deputy Chairman: There will be third reading stage when all members can again speak and ask questions.

Mr. Knowles (Winnipeg North Centre): Question.

The Deputy Chairman: Is the committee ready for the question?

Some hon. Members: Question.

• (10:00 p.m.)

The Deputy Chairman: The question is on the amendment of Mr. Drury to subclause 2 of Clause 3. Does the amendment carry?

Some hon. Members: Agreed.

Amendment (Mr. Drury) agreed to.

Clause as amended agreed to.

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, in view of the fact that there has been consent to reconsider some aspects of the departmental situation, I wonder whether there might also be consent to the reopening of clause 4 so that my amendment could be called in respect of the naming of the deputy minister of the environment as the deputy minister of fisheries. In speaking for this group I can say that if consent is given and the amendment allowed, it could be voted on without any debate.

The Deputy Chairman: The committee has heard the proposal of the hon. member for Winnipeg North Centre. Is there consent to revert to clause 4 for the purpose of allowing the hon. member to move an amendment.

Mr. Drury: Mr. Chairman, I understand that if we open it up, the amendment will be moved and the question put immediately.

Mr. Knowles (Winnipeg North Centre): So far as we are concerned, that would be the situation. No debate would be held on the amendment.

Mr. McGrath: No. Mr. Chairman. I think there should be provision for at least one response from the official opposition, because when I started my remarks on this stage of our proceedings I suggested to the minister that there should be a consequential amendment to clause 4. I think the suggestion of the hon. member for Winnipeg North Centre, that he should receive consent to move his amendment now and that remarks should be confined to his amendment, is most unsatisfactory.

Mr. Knowles (Winnipeg North Centre): We will agree to that. I thought the hon. member had made the point and that we had also done so earlier in this debate. Even so, if an opportunity is given to the hon. member to speak we will not ask to do so. We just wish to move the amendment.

Mr. Drury: What we had hoped was that in a relatively short time we could deal with the balance of the bill, which is basically schedules and so on. Earlier I indicated the government's position in relation to an amendment relating to the deputy minister of fisheries in response to the hon. member for St. John's East. While the hon. member for Winnipeg North Centre is very persuasive, I do not think he has succeeded in persuading me that we should reverse our position. If there should be a question on it, I think the government would vote against it. If it is a matter of seeking unanimous consent and then having an adverse vote, perhaps we should without unanimous consent and not proceed.

The Deputy Chairman: The Chair finds itself in a somewhat confusing position at this time, because it is difficult to establish whether or not there has been unanimous agreement to the proposition the hon. member for Winnipeg North Centre has put forward. Some members

on the opposition side wish to have an opportunity to say a few words on the amendment. If this is not to be allowed, the Chair can only interpret it as a denial of permission to revert to clause 4, for which unanimous consent is required. So I shall ask the question again. Does the committee agree to revert to clause 4 for the purpose of allowing the hon. member for Winnipeg North Centre to propose an amendment.

Some hon. Members: Agreed.

On clause 4—*Deputy Minister.*

Mr. Knowles (Winnipeg North Centre): Mr. Chairman, I move:

That Bill C-207 be amended by designating clause 4 as sub-clause (1) of clause 4, and by inserting immediately thereafter the following sub-clause:

"(2) The deputy minister of the environment, when appointed under the provisions of subsection (1), is the deputy minister of fisheries."

Mr. McGrath: Mr. Chairman, this is virtually right back to where we started today and I re-submit the arguments I presented earlier to the President of the Treasury Board and the government. This amendment is consequential to the amendment we just voted on. If we are going to designate, as we have done, that the Minister of the Environment shall be the Minister of Fisheries, then it follows under clause 4 that the deputy minister of the environment shall also be the deputy minister of fisheries. One follows on the other and I think one is just as important as the other.

This afternoon the President of the Treasury Board indicated that the reason he would not accept this amendment was that there was no Department of Fisheries, that this new department of the environment would eliminate the Department of Fisheries. Be that as it may, the fact is that notwithstanding the provisions of this bill, which would eliminate the Department of Fisheries, under the provisions of the amendment we have just passed there is a Minister of Fisheries. Consequently, it follows that if there is a Minister of Fisheries he should have a deputy minister, and the deputy minister of the environment should be the deputy minister of fisheries. To me it is very logical. I submit that the government should be consistent and accept the amendment of the hon. member for Winnipeg North Centre. If the government does not see fit to accept the amendment now, I serve notice that the first opportunity I certainly will move the amendment on third reading.

The Deputy Chairman: Shall the amendment carry?

Some hon. Members: No.

Amendment (Mr. Knowles, Winnipeg North Centre) negatived: yeas, 13; nays, 35.

The Deputy Chairman: I declare the amendment lost. The committee will now revert to the study of clause 2.

On clause 2—*Short Title.*

The Deputy Chairman: When the committee was considering clause 2, the hon. member for St. John's East presented an amendment which I think should be read at this time to the committee. It was moved by Mr. McGrath:

That clause 2 of Bill C-207 be amended by striking out the words "Department of the Environment" where they first appear immediately after clause 1 on page 1 thereof, and substituting therefor the words "Department of Fisheries and the Environment".

Mr. McGrath: Mr. Chairman, I wonder if the committee, in the spirit of compromise that has been prevalent here tonight, would be agreeable to granting me unanimous consent to withdraw this amendment?

The Deputy Chairman: Does the committee agree to give permission to the hon. member to withdraw his amendment?

Some hon. Members: Agreed.

Amendment (Mr. McGrath) withdrawn.

• (10:10 p.m.)

The Deputy Chairman: Shall clause 2 carry?

Clause agreed to.

The Deputy Chairman: Shall schedule A carry?

Schedule agreed to.

The Deputy Chairman: Shall schedule B carry?

Mr. Baldwin: Mr. Chairman, schedule B should carry, but I wish to say that it is a terrible practice to place in a schedule such as schedule B amendments not only repealing existing legislation but putting in amendments that do not deal with the legislation that is being amended. This is sloppy practice and I just want to warn the government not to do it again.

Mr. Knowles (Winnipeg North Centre): The member for Peace River has expressed my sentiments exactly.

The Deputy Chairman: Shall schedule B carry?

Mr. Baldwin: On division.

Schedule agreed to.

The Deputy Chairman: Shall clause 1 carry?

Clause agreed to.

The Deputy Chairman: Shall the title carry?

Title agreed to.

The Deputy Chairman: Shall the bill as amended carry?

Some hon. Members: Carried.

Bill reported.

The Acting Speaker (Mr. Laniel): When shall the said bill be read the third time?

Some hon. Members: Now.

Some hon. Members: Next sitting of the House.

The Acting Speaker (Mr. Laniel): At the next sitting of the House.

PROCEEDINGS ON ADJOURNMENT MOTION

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

INQUIRY OF THE MINISTRY

Mr. E. B. Olser (Winnipeg South Centre): Mr. Speaker, if I could take five seconds of the time of the House, not my own, I should like to say how much we all welcome you back and how great it is to see the agility you are showing tonight by climbing into the throne. I do not know whether there is a lesson there for skiers, but there is a great lesson in perseverance for non-skiers like myself.

Mr. Speaker, there have been charges that Mr. Pearson and Mr. Bryce gave improper information to a subsidiary of IT&T in 1954. I raised the question in the House because I felt the quickest and cleanest way to "scotch" such allegations is to put the government on the spot and get their reaction. I first noticed this allegation in a story published in the Montreal *Star* on May 19. Since then I have had a chance to peruse a copy of the source-document. This is a book entitled "America Inc.: Who Owns and Operates the U.S.A.?" by Morton Minz and Gerry S. Cohen, with an introduction by Ralph Nadar.

In chapter 11, entitled "Foreign Affairs", the authors attempt to document the manner in which international corporations exploit connections and friendships in an effort to influence government decisions. They examine a project they call operation "Deep Freeze", which was a submarine cable system proposed by the Commercial Cable Company, a subsidiary of IT&T, to stretch from the U.S. via Canada, Greenland and Iceland to the United Kingdom. It was to cost $25 million and the U.S. air force had agreed to lease 11 per cent of the system's original capacity.

The authors claimed that negotiations to secure so-called "cable landing sites" began in the autumn of 1954, involving discussions with the governments of the United Kingdom, Denmark, Iceland, Canada and the United States of America. Subsequently, the whole project fell through. The Commercial Cable filed a suit in the Court of Claims, charging the U.S. with a breach of contract and asking $804,000 in damages. On April 5, 1968, the complaint was dismissed. The company made no appeal.

The points that interest me and prompted my question are as follows: (a) On page 331, the U.S. Justice Department sums up IT&T's campaign to win the requisite government approvals for landing rights. It said IT&T "had occasion to engage in discussions at the highest levels of a number of foreign governments, to make use of, and benefit from, personal friendships with some of the highest officials of these governments, and to seek out—and receive—confidential information about the internal deliberations of these governments and the probable actions which they would take". The phrases "highest levels" and "highest officials" referred, among others, to Lester B. Pearson who was then Canada's minister of external affairs.

Then (b), on page 335 the authors claimed that "on September 14th, 1954, Forest Henderson met with Lester Pearson in Ottawa". The authors then go on to say, "Pearson provided ITT with "information of a confidential nature", the Justice Department said. "The information related to the status of the Canadian government's position, the possible participation by NATO, and the impact of NATO participation". In addition, "ITT's representative had numerous conversations with Mr. Pearson and other Canadian officials relating to the negotiations". The department also said that R. B. Bryce, who was Clerk of the Privy Council in Ottawa and co-ordinated the various cabinet departments, provided ITT "reports on the positions of high Canadian officials".

Then (c), on the same page it is disclosed that the Ottawa law firm of Maclaren, Laidlaw, Corlett and Sherwood were retained by the Commercial Cable Company and sent in a 38-page itemized bill for services. Mr. Pearson is alleged to have called this law firm on November 25, 1954, and agreed to try and "stir things up and let us in on the great difficulty they had run into and bring us into the picture if possible".

Also (d), on the following page it is alleged that Mr. Pearson told Commercial Cable's representative in Canada that "the United Kingdom was opposing our application at this time and that it might be desirable for Canada to hold off making an immediate decision pending further exchanges between the two governments". Also that "NATO was now involved and that various countries within NATO were going to consider it", which would add considerably to delay.

Then (e), on the same page Mr. Bryce is alleged to have said he would "consult immediately with various ministries involved and would give Mr. Martin—of Commercial Cable—a report"; (f), on page 337 the authors alleged that the Ottawa law firm claimed that by May 20, 1955 Mr. Pearson advised that "the British will not give us outlets there under any circumstances". I understand that Canada ultimately agreed to grant landing sites to the company but imposed certain restrictions which the company would not consent to. Therefore there was no "deal" in the end and this, it would seem to me, speaks for itself. It would seem to me that the law firm did a good job of trying to uphold its client's interests and that Canadian government officials and the Canadian cabinet did an equally good job of upholding the public interest as they saw it.

Therefore, I would welcome an answer to the question that I posed in the House of Commons last Friday:

Has the government taken any steps or is it contemplating any steps to investigate this serious allegation?

• (10:20 p.m.)

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. member for having asked this question because I agree with him that it is desirable that the air should be cleared as quickly as possible.

After reviewing our files in this matter and discussing it with Mr. Pearson and Mr. Bryce, we find no reason to believe that they told the representatives of the Commercial Cable Company anything that they were not properly entitled to know concerning their application for landing rights in Canada for a cable to be used partly for defence purposes and partly for commercial purposes. The consideration of their application extended over several months and involved a number of questions of law and policy. Numerous representations were made by the company that their legal rights made such delay unnecessary. They did not succeed in their endeavours to receive unconditional approval of their application.

HARBOURS—MONTREAL—PRIORITY IN DEVELOPMENT OF PORTS POLICY

Mr. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, this afternoon I asked the minister a question regarding a special report prepared by his department which allegedly recommends priority attention for development of the ports of Halifax, Quebec City and Vancouver. Similar questions were asked by the hon. members for Sainte-Marie (Mr. Valade) and Laprairie (Mr. Watson). We are all representatives from the Montreal area. We asked these questions because we are very concerned about the port of Montreal. We would like to know more about this special report.

Does it, in fact, state that priority development will be given to the ports of Halifax, Quebec and Vancouver in preference to Montreal and other ports? Does it mean that the government intends to concentrate on the development of these three ports to the exclusion of Montreal? What, in fact, are the details of this report and has it been accepted as government policy?

I should point out, Mr. Speaker, that the port of Montreal is one of the most important keys to the entire Montreal economy. Historically, Montreal developed as a great commercial centre due to its port and the transportation network fanning out from it. The principal industry in Montreal is transportation. At the base of the transportation industry is the port and shipping business. If the port business should continue to decline, or if it is downgraded in any way, we would be striking at the core of the Montreal economy.

For years Montreal has been the most important port in Canada. It had the greatest tonnage and the most traffic. From 1936 to 1967 the port of Montreal accounted for 75 per cent of the revenue of the National Harbours Board. In 1969 Montreal had a total cargo of 20,538,174 tons of traffic, compared with 10,553,997 tons in Halifax and 7,439,871 tons in Quebec City. Montreal had assets worth $186 million, compared with $46 million in Halifax and $46 million in Quebec City. The port of Montreal contributes $150 million a year to the local economy.

I cannot understand why anyone would want to bypass the great facilities which already exist in Montreal, facilities which are close to a large market and industrial centre, facilities which are well served by supplementary transport, and with a great record in the past.

It is true that there have been troubles in the port of Montreal with labour, productivity and theft but many of these problems are now being resolved. There has been a great improvement in the campaign against theft. It has diminished considerably. Action has been taken to resolve the labour problem. With the recent establishment of the Maritime Employees Association, we expect further improvements.

Now is the time when we need an act of faith in the port of Montreal, not a statement of doubt. Most of all, we need a positive act of faith by the government which is supposed to represent the public interest. As I have already pointed out, the port of Montreal is the base of the Montreal economy. If it is to succeed, we will need the co-operative efforts of all parties involved. We are very concerned about the special report produced by the Department of Public Works. I would like the minister to answer my questions about it this evening.

Hon. Arthur Laing (Minister of Public Works): The question raised by my hon. friend pertains to a statement I made in the province of Nova Scotia in which I expressed an optimistic outlook, one which I possess very firmly, about the prospects of the ports on the Atlantic coast drawing and maintaining an increasing amount of Canadian freight. I base this view on two grounds, first of all, the Kennedy Round tariff reductions which I believe will open new markets for us in the United States through the Maritimes and, second, the fact that we are an exporting nation, marketing abroad about 29 per cent of all our products. We have to go into the European Economic Community whatever its form. I believe the Atlantic ports will benefit from this.

I was optimistic about the port of Halifax and made reference to the improving position of Saint John, New Brunswick. This has been considered in some quarters, and apparently by my hon. friend also, as less than encouraging to Montreal. The hon. member says that Montreal needs encouragement, not a statement of doubt. Mr. Speaker, in all the time I spoke in Nova Scotia I never mentioned Montreal once. I made no reference to the St. Lawrence River, and to suggest I made a statement of doubt reflecting on Montreal is surely an exaggeration.

Is it not possible for me to look with enthusiasm upon the development of certain ports, some of which we have built ourselves, for example, Port Hawkesbury which can accommodate some of the biggest ships in the world, without at the same time being accused of denigrating other ports which I did not mention? If one singles out certain ports as the subject of comment, is it necessary at the same time to give a list of all the other ports so that they will be specifically mentioned too?

There has been editorializing by the media and others concerning the reflection I am supposed to have made on Montreal. I made no reflection whatsoever. The report to which I referred was made to my department in 1969 by the firm of Gibb, Albery and Partners of Toronto. It dealt with the immense revolution in transportation they saw

at that time and which has been developing since to a tremendous degree both at sea and on land.

We have to stand in awe before the remarkable technological development which has taken place whereby ships are racing across the seas to deliver to unit crates which are racing across the land. This will alter our shipping requirements, and we in Canada want to be modern. I would like to see this report released, though we would be obliged to remove from it certain information given in confidence by firms concerned.

Motion agreed to and the House adjourned at 10.30 p.m.

HOUSE OF COMMONS

Wednesday, May 26, 1971

The House met at 2 p.m.

[*Translation*]

ROUTINE PROCEEDINGS

LABOUR, MANPOWER AND IMMIGRATION

Third report of Standing Committee on Labour, Manpower and Immigration—Mr. Portelance.

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

* * *

[*English*]

DRUGS

ANNOUNCEMENT OF EXTENSION OF QUALITY ASSURANCE PROGRAM

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I wish to outline a significant extension to my department's drug quality assurance program which I anticipate will be a major step toward the government's goal of reducing the cost of drugs to the public. When operational on a full fiscal year basis, this extended program will cost an additional $2,355,000 per annum. This amount will be in addition to funds currently being expended in the drug quality assurance area.

The drug quality assurance program will be operated by the Food and Drug Directorate of my department, in co-operation with the Department of Consumer and Corporate Affairs. This program is being built on four cornerstones: drug analysis; intensive inspection of manufacturing facilities; assessment of the effectiveness of drugs on the Canadian market; and provision of information concerning results, along with information on comparative prices, to the health professions, provincial drug purchasing agencies, and the general public.

Provision of information on drug quality and comparative prices will allow physicians and pharmacists to prescribe and dispense lowest-priced drug products of assured high quality. It should also encourage the general public, and other drug purchasers including the provinces, to buy lowest-priced drug products of assured quality, by comparative shopping.

I will not attempt at this time to say more about the program. However, because of the interest of the House in this subject, in accordance with Standing Order 41(2) I wish to table in both official languages a document which outlines the program in more detail.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, the Official Opposition welcomes the announcement of a federal government program aimed at reducing drug costs to Canadians by guaranteeing the effectiveness of lower-cost brand name and generic drugs. There are certain aspects of the extended federal drug quality assurance program just announced that are of merit. For example, the provision of comparative information on drug quality and prices will be important.

However, the program is inadequate in two ways. It is inadequate to deal with the costs of drugs in the present and the immediate future, and it is inadequate to deal with the larger problems of prescription drugs.

First of all, let us look at the problem of when the impact of the program will be felt. The time frame during which this program is to become fully operational is worrisome. For example, the annual inspection of manufacturing and distributing firms will not commence until 1973. The inevitable lag in publishing results of such inspections means that the information gained from this part of the program alone will not reach the Canadian consumer for several years. Therefore the reduction of drug costs is not an immediate prospect but merely a long-term possibility.

• (2:10 p.m.)

The timing and amount of the financial resources to be expended on this extended program also point to its inadequacy. Only slightly more than 2 million dollars is to be added to the annual budget for the extension of the program, a drop in the bucket compared to the 271 million spent by Canadians buying retail prescription drugs in 1970. The additional allocation will not be fully used until the program is in full operation. The minister does not state when that will be, although my estimate from reading this document is that the full amount will not be utilized at least until 1973 and perhaps later.

For the immediate future, then, the additional funds to be spent can hardly be termed significant for accomplishing the minister's stated aim of reducing drug costs to the public. Many Canadians need a reduction in drug costs now, not in 1975 or 1977. As I stated in the House on March 15, 1971:

> —the government should give immediate consideration to the provision of free drugs for all persons in receipt of social services and for graded payments for those on limited incomes who are now covered by medicare.

As I stated then, certain disadvantaged persons such as welfare recipients and old age pensioners suffer most from present high drug costs. Older people have limited incomes but are subject to more medical and drug costs at that time of life than younger age groups.

The second major inadequacy of the proposed extended drug quality scheme is the failure of the government to include this proposal in a larger program to attack the problems of prescription drugs. The government is introducing reforms on a piecemeal basis. As the minister and the government well know, this was part and parcel of the national health plan. As Emmett Hall said when he

brought in his report, this must be included and be complementary to the plan.

The Progressive Conservatives have long advocated the need for paramedical staff to supplement the offices of the nation's physicians. Such staff could reduce the workload of doctors and allow them to treat more thoroughly patients requiring attention for problems now being treated by an excessive reliance on mood-modifying drugs or tranquilizers. According to the Canadian Medical Association, one-third of all prescriptions issued by Canadian physicians during a recent survey were for mood-modifying drugs such as amphetamines, barbituates, tranquilizers and anti-depressants, and over half of such prescriptions for mood-modifying drugs were repeat prescriptions.

To deal with the cost of these drugs is tangential to the major issue, I submit, Mr. Speaker. What is needed is a policy to increase paramedical aid to physicians so that they can deal more thoroughly with their patients, thereby reducing the degree to which mood-modifying drugs are needed as treatment in such cases. To eliminate the need for costly drugs is better than to merely reduce drug costs.

It is my hope, Mr. Speaker, that the Minister of National Health and Welfare will act shortly to give free drugs to the disadvantaged Canadians and to institute a program of paramedical aid for doctors. Such measures are necessary to fill the gap left by the extended drug quality assurance program he announced today. Only then can the federal government hope to achieve its stated aim of reducing the cost of drugs to the public.

I hope that the minister is not setting up guidelines that later can be used in a compulsive way to make the doctor prescribe only drugs which appear on the Food and Drug Directorate's list.

Again, I appreciate the minister's motive for taking a very timid step. I note that the minister speaks about the clinical efficacy of drugs. I am sure that his department realizes that the therapeutic equivalency of a drug is much more difficult to determine than the analysis or inspection of manufacturing facilities.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the people of Canada have been concerned about the price of prescription drugs for a dozen or more years. They have been calling on governments, federal and provincial, to take action to bring about a sharp reduction in the cost of prescription drugs. From the studies that have been made it is obvious that the substitution of generic drugs could go a long way toward reducing the cost of prescription drugs.

Prescription drugs are unlike any other consumer item; the consumer has no choice as to the prescription he gets. Almost exclusively it is the doctor who decides what particular drug shall be used. Doctors have felt, with a good deal of justification, that they could not take a chance on substituting a generic drug for a well known brand name drug because they had no assurance that the substitute drug would be as safe and as useful as the brand name product.

[Mr. Rynard.]

When the special committee set up to examine this question met five or six years ago, we suggested that unless the federal government would implement a system of widespread testing and communicate the results to the doctors and the pharmacists, it would be impossible to reduce substantially the price of prescription drugs to consumers. Events have proven that we were right. Therefore we welcome this move by the government to set up a testing organization and information service so that doctors will be in a position to know, when they prescribe a generic product costing perhaps one-half or even one-fifth as much as the brand name drug would cost the patient, that the patient is getting a prescription which is equally efficient in doing the job it is intended to do. We welcome this move. We are sorry it has taken so long and that it will take another two years to get into operation. I still do not believe this program will do the whole job which is required to bring the cost of prescription drugs down.

I still believe we shall reach a point in the not too distant future when the federal government will see the necessity for setting up a Crown corporation to manufacture certain small percentages of the most important and frequently used drugs, so that a reliable price yardstick can be established enabling doctors and patients to know what the price should really be instead of what they are having to pay at the present time.

[*Translation*]

Mr. Romuald Rodrigue (Beauce): Mr. Speaker, the drug quality assurance program the minister has just announced deserves special attention, and I trust it will allow the achievement of its objectives, namely the sustained quality of drugs and lower prices for the general public.

Those are worthy objectives. The Canadian people are certainly entitled to drugs of the best possible quality at a reasonable cost.

The program rests on four points; to my mind, it is a start, and should receive much more attention on the part of the department.

The minister mentioned the fact that retail sales of prescription drugs amounted to over $271 million in 1970. The volume of sales itself indicates the great importance of adequate surveillance by the Food and Drug Directorate and the Department of National Health and Welfare so that the Canadian people may be well protected.

I am amazed to hear that the Food and Drug Directorate does not inspect the 104 firms more than once every three years and that it will only be from 1973 on that the inspections will be made once a year. This demonstrates without any doubt the inefficiency of the inspection department. This failure could have been corrected a long time ago. Having noted this failure, the minister states that inspections will be carried out once a year, from 1973 on. Here is another proof of the inefficiency of certain departments which seem lost, unable to correct an unbearable situation. Where a decison has been made to improve the situation, they only proceed at turtle pace.

The minister also mentions the necessity of reassessing some of the products which have been available to the public for a number of years. This, to me, is a superfluous statement since the Food and Drug Directorate has the responsibility of controlling the different drugs made available to the public. It would mean that the directorate was not regularly performing its surveillance task.

It is highly necessary that the results of the drug quality control program be made available to health specialists.

The population has long been calling for a reduction of the price of drugs which, unfortunately, has recently increased again in some areas.

I therefore trust the new program will indirectly contribute to the reduction of costs of drugs to Canadians.

* * *

• (2:20 p.m.)

[*English*]

CONSUMER AFFAIRS

ROLLED STEEL PRICE INCREASES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to move a motion on a matter of pressing necessity and of immediate concern to every Canadian. I am referring to the announcement today of the substantial and alarming increase in the price of 80 per cent of Canada's rolled steel products which will have widespread and extremely damaging effects on the level of prices for consumers and on the confidence and growth of the Canadian economy at this most critical time.

Therefore, with unanimous consent I move, seconded by the hon. member for Vegreville (Mr. Mazankowski):

That this House urges the government immediately to outline the government's inflation and unemployment projections and goals for 1971; and that the government make a clear, definitive statement on the consequences and causes of this increase, as well as on what action the government plans to take in the remedial sense.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Gander-Twillingate. The motion is moved under the terms of Standing Order 43 and therefore requires the unanimous consent of the House. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion cannot be put at this time.

* * *

TELESAT CANADA

TABLING OF ANNUAL REPORT FOR 1970

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table copies, in English and in French, of the Telesat annual report for 1970.

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

BLUE WATER BRIDGE AUTHORITY

Question No. 415—**Mr. McCutcheon:**

1. On what date or dates did the Governor in Council, or any authority designated by the Governor in Council, order the Blue Water Bridge Authority to make its cost records and its cash receipt and disbursement records available, pursuant to section 19(1) of the Blue Water Bridge Authority Act which was enacted 21st May 1964?

2. On what date or dates did the Blue Water Bridge Authority provide the Governor in Council, or his designee with itemized, detailed and verified reports of the Authority's receipts and disbursements under section 19(2) (a) of the Act?

3. Commencing with 1964, in what year or years were the accounts of the Blue Water Bridge Authority audited by persons designated by the Governor in Council, or his designee, under section 19(2) (b) of the Act?

4. Has the Auditor General recently required from the appropriate department information, reports and explanations concerning the operations of the Blue Water Bridge Authority?

Hon. Mitchell Sharp (Secretary of State for External Affairs): 1. In accordance with the requirements and responsibilities of the Canadian Government, certain financial information, mainly with respect to tolls, has been submitted to the government by the Blue Water Bridge Authority under the provision of the Railway Act. No additional request for financial information has been made to date under the enabling authority contained in the Blue Water Bridge Authority Act, section 19 (1)(a).

2. Not applicable.

3. No persons have been so designated.

4. No.

STEPS TAKEN TO OBTAIN ESTIMATES OF NUMBER OF RESIDENTS WHO HAD NOT BECOME CANADIAN CITIZENS BY JANUARY 1, 1970

Question No. 642—**Mr. Nowlan:**

With respect to the answer to Question Number 1 on October 26, 1970, what steps has the Department of the Secretary of State taken to obtain estimates of the number of individuals, by country of citizenship, normally resident in Canada who had not become Canadian citizens by January 1, 1970, of an accuracy sufficient to permit the intelligent planning of government activities and programs relating to those individuals.

Hon. Robert Stanbury (Minister without Portfolio): Estimates of the number of individuals, by country of citizenship, normally resident in Canada who had not become Canadian citizens by January 1, 1970, are impossible to obtain with any degree of accuracy short of requiring the non-citizen immigrant population to register. Such a requirement would single out a particular group of residents and impose a special burden on them quite apart from the administrative costs to government. Intelligent planning of government activities and programs relating to these individuals is based upon sufficient and satisfactory data drawn from a combination of alternative sources such as the Department of Man-

Questions

power and Immigration, the Dominion Bureau of Statistics, existing citizenship registration statistics, etc.

DEPARTMENT OF TRANSPORT—MOVEMENT OF PRESENT QUARTERS TO PLACE DE VILLE TOWER "C"

Question No. 974—**Mr. Coates:**

1. Is it the intention of the Department of Transport to move from its present quarters to new quarters at Tower "C", Place de Ville and 330 River Road, Vanier and, if so (a) on what date will such moves take place (b) for what reason?

2. (a) What sections of the Department of Transport will be located at Tower "C", Place de Ville and what sections will be located at 330 River Road, Vanier (b) for what reason were the services of the Department separated?

3. How much floor space is to be leased in each of the buildings (a) from whom (b) for what period of time (c) what is the dollar value annually for each of the leases?

4. Will new furnishings be provided in the new quarters and, if so, (a) on what basis will these furnishings be provided (b) at what cost (c) what action will be taken to dispose of the office furnishings that are presently in use by the personnel of the Department of Transport?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the departments of Public Works and Transport as follows: 1. The Ministry of Transport will move to Tower "C", Place de Ville but no elements of the Ministry will move to 330 River Road, Vanier. (a) September 1971. (b) to provide the Ministry of Transport with more suitable accommodation in a single location.

2. (a) and (b) It is planned to locate the Ministry Headquarters; the Canadian Air Transportation Administration; the Canadian Marine Transportation Administration, including the headquarters of the National Harbours Board and the St. Lawrence Seaway Authority; and the Canadian Surface Transportation Administration in Tower "C", Place de Ville.

3. Place de Ville, Tower "C", 467,581 square feet (approximately). (a) Campeau Corporation Limited; (b) Ten years with a five year option; (c) $2,656,472.37.

4. (a) and (b) It is intended to equip the new quarters with new office furnishings to the extent existing furnishings need to be replaced because of condition, obsolete-ness and incompatibility with modern office arrangements. Extensive use will be made of Canadian Government designed modular type furniture. Cost of the new office furnishings is estimated at approximately $1,000,000. (c) Normal disposal action will be taken through Crown Assets Disposal Corporation.

TRADE COMMISSIONER SERVICE—ASSISTANCE TO CANADIAN FIRMS

Question No. 1,029—**Mr. Yewchuk:**

1. How many private firms in Canada required the assistance of the Trade Commissioners in finding markets or sources of supply in other countries for the years 1968 and 1969?

2. In each of those years, how many succeeded in finding a market abroad to export their commodities or services?

3. In what countries did they succeed in selling their products?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): 1 and 2. Available information indicates that in both 1968 and 1969 the Trade Commissioner Services Posts around the world handled over 20,000 export enquiries from Canadian firms. This total includes cases where firms have addressed the same enquiry to a number of posts abroad. A registry of individual firms making such enquiries is not maintained. In 1968 the Trade Commissioner Service assisted in the establishment abroad of 1,400 new buying connections and 650 new sales agencies connections. In 1969 these figures were 1,200 new buying connections and 1,400 new sales agencies connections.

3. In 1968 and 1969 Canadian sales rose in all countries where trade offices are maintained.

NARCOTICS CONTROL ACT AND FOOD AND DRUGS ACT—JAIL SENTENCES

Question No. 1,032—**Mr. Yewchuk:**

For the years 1969 and 1970, how many persons between the ages of 16 and 24 received jail sentences under the Narcotics Control Act and the Food and Drugs Act for (a) possession for the purpose of trafficking in drugs (b) the trafficking in these (c) illegal importation or exportation of drugs?

Hon. John C. Munro (Minister of National Health and Welfare): See following table.

Number of Persons who Received Jail Sentences in 1969 and 1970 under the Narcotics Control Act and the Food and Drugs Act for Trafficking, Possession for the Purpose of Trafficking, and Illegal Importation of Narcotics, Controlled, and Restricted Drugs

Age Range	Narcotic Control Act						Part III, Food and Drugs Act (Controlled Drugs)				Part IV, Food and Drugs Act (Restricted Drugs)			
	Trafficking		Possession for the Purpose of Trafficking		Illegal Importation		Trafficking*		Possession for the Purpose of Trafficking		Trafficking*		Possession for the Purpose of Trafficking	
	1969	1970	1969	1970	1969	1970	1969	1970	1969	1970	1969	1970	1969	1970
under 18.....	19	34	10	11	1	—	—	2	—	2	**	24	**	26
18-20.....	145	147	51	96	—	4	4	7	3	14	not available	108	not available	83
21-24.....	128	175	55	131	2	18	7	11	5	16		60		68
Total.....	292	356	116	238	3	22	11	20	8	32		192		177

*Trafficking includes illegal importation or exportation.

**Part IV of the Food and Drugs Act did not come into force until August 1970.

[Mr. Stanbury.]

COMPENSATION TO CANADIANS LIVING ABROAD

Question No. 1,085—**Mr. Fortin:**

1. To the knowledge of the government, during each of the past five years, how many Canadians were living abroad?

2. During the past five years, was the government held responsible for damages sustained by its nationals living abroad and, if so (a) in how many cases (b) what was the total amount of such damges?

3. How many Canadian technical assistants are living abroad?

4. Has the government compensated Canadians whose assets were nationalized by foreign governments and, if so, in what cases?

5. Does the government provide for compensation to its nationals for damages sustained by them abroad and, if so, in what manner?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): I am informed by the Department of External Affairs and the Canadian International Development Agency as follows: 1. This information is not available. There is no annual census or world-wide registration of Canadian citizens resident abroad. In many countries abroad Canadian citizens making a prolonged stay there are invited in their own interests to register with the appropriate diplomatic or consular post; they are, however, under no obligation to do so and experience has shown that many do not register. The total of those who have so registered as of March 1, 1971 is approximately 37,000. This figure does not include any Canadians who are resident in countries where registration records are not maintained, among which are the United States and the United Kingdom.

2. To our knowledge, no.

3. 1,096, CIDA; 1,157, CUSO.

4. The Government does not of itself compensate Canadian citizens whose assets have been nationalized by foreign governments. The government has however, concluded claims agreements with foreign governments and has distributed the proceeds received among Canadian citizens whose property has been nationalized by those governments. Particulars of claims agreements concluded are set out hereunder. (a) On June 30, 1966 a claims agreement was signed with the People's Republic of Bulgaria under which the Canadian Government received a payment of $40,000. The payment was in respect of property rights, interests and debts of the Canadian Government, Canadian citizens and Canadian Juridical persons which had been affected directly or indirectly by Bulgarian measures of nationalization, expropriation or other similar measures which had taken effect before the date of agreement. The proceeds of the settlement have been distributed by the appropriate ministers amongst claimants on the recommendation of an adviser on claims. (b) On June 1, 1970 a claims agreement was signed with the Hungarian People's Republic under which the Canadian Government will receive a payment of 1.1 million dollars in five annual equal installments, the first of which has been received. The payment was in respect to the property rights and interests including debts other than bonded debts of the Canadian Government and Canadian citizens affected directly or indirectly by Hungarian measures of nationalization, expropriation, state administration and other similar measures arising out of structural changes in the Hungarian economy and regulations made or administrative action taken thereunder which have taken effect before the date of the agreement. The settlement includes debts arising out of contracts of insurance concluded before December 21, 1941, shares in Hungarian banking companies affected by the Hungarian Law XXX of December 1, 1947 which were continuously owned by Canadian citizens, obligations arising out of Articles 24 and 26 of the Treaty of Peace with Hungary of February 10, 1947 and obligations arising out of Articles 231 and 232 of the Treaty of Trianon of June 4, 1920. A Chief Commissioner and Deputy Commissioner have been appointed, known by the title of the Foreign Claims Commission, for the purposes of adjudicating the claims and recommending to the appropriate ministers the distribution of the proceeds of the settlement amongst Canadian claimants.

5. The government does not provide compensation for damages sustained abroad by its nationals by reason of the wrongful acts of persons other than servants or agents of the Crown in the right of Canada.

CNR BONDS

Question No. 1,117—**Mr. Gauthier:**

1. Who, other than the federal government, hold CNR bonds?

2. Are the bonds issued by CNR in repayment of loans contracted by the railway?

3. What are the rates paid on such bonds?

4. What means are taken to repay them when due?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: 1. As CNR bonds are widely held and negotiated by private and commercial investors, it is not possible to answer specifically the question in the form asked.

2. and 3. No bond issues have been made by the company since 1960. Details of the outstanding issues may be found on page 40 of the company's printed annual report for the year 1969.

4. By government loans under authority of the Canadian National Railways Refunding Act 1955 and/or through the Purchase Funds operated under the conditions of each issue. Details of the latter transactions are also shown on page 40 of the company's 1969 annual report.

DEPARTMENT OF JUSTICE—LEGAL RESEARCH AND PLANNING SECTION

Question No. 1,287—**Mr. Fortin:**

1. On what date and in what manner was the Legal Research and Planning Section of the Department of Justice established?

2. How many people are employed in this Section and how many are trained in (a) civil law (b) common law?

3. How hany employees in this Section (a) are bilingual (b) speak French only (c) speak English only?

Questions

Hon. John N. Turner (Minister of Justice): 1. The creation of the Legal Research and Planning Section of the Department of Justice was announced on April 28, 1970 before the Standing Committee on Justice and Legal Affairs and the appointment of the Director was announced on July 2, 1970.

2. Twelve persons are employed in the section. One is trained in civil law and six are trained in common law.

3. Five employees in the section are bilingual; none speak French only; seven speak English only.

DEPARTMENT OF JUSTICE—STUDY OF LEGAL AID SYSTEMS

Question No. 1,288—**Mr. Fortin:**

1. Has the Department of Justice had a study made on legal aid systems and, if so, will the Department publish the report?

2. Is it the intention of the government to ensure that all persons have access to legal services and, if so, what steps are contemplated?

Hon. John N. Turner (Minister of Justice): 1. Yes, but the study was not made for the purpose of publishing a report and the notes and other material in relation thereto are not in a suitable form for publication.

2. The Government recognizes the desirability for legal aid to be available to persons in need of it and consideration is currently being given to what the federal role should be in this field.

*CBC—COVERAGE OF NEW DEMOCRATIC PARTY CONVENTION

Question No. 1,326—**Mr. Deakon:**

1. How many staff and other personnel were employed by the CBC for coverage of the New Democratic Party Convention?

2. What was the total cost to the CBC for this coverage?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, I am informed by the Canadian Broadcasting Corporation as follows: 1. Approximately 150 people were assigned to provide live coverage of the NDP leadership convention in April for the English and French radio and television services; and

2. It has not been customary to require the corporation to disclose individual programming costs.

Mr. Knowles (Winnipeg North Centre): It was worth every dollar.

RCMP—PARLIAMENT HILL DETACHMENT

Question No. 1,328—**Mr. Peddle:**

1. How many RCMP officers are normally assigned to duty on Parliamentary Hill?

2. How many of these officers are fluently bilingual?

Hon. Jean-Pierre Goyer (Solicitor General): 1. Thirty-one.

2. Twenty-five of these are sufficiently competent in both official languages to enable them to efficiently carry out their assigned duties in either language.

[Mr. Fortin.]

NUMBER OF THERAPEUTIC ABORTIONS AND LIVE BIRTHS, 1970

Question No. 1,329—**Mr. Peddle:**

1. How many therapeutic abortions were performed at hospitals in each province and the Yukon during 1970?

2. What was the number of live births in each province and the Yukon during 1970?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada (Dominion Bureau of Statistics) reports that: 1. and 2. The following table shows the number of therapeutic abortions performed in hospitals for the provinces and the Yukon for 1970, and the number of live births for the provinces and the Yukon for 1969. Final figures of live births for the year 1970 are not available yet.

Reporting Province/Area	Total Therapeutic Abortions (1970)	Live Births Registered (1969)
All reporting areas	11,200	368,431
Newfoundland	25	13,000
Prince Edward Island	18	2,009
Nova Scotia	263	13,618
New Brunswick	72	11,695
Quebec	541	95,610
Ontario	5,657	130,398
Manitoba	248	17,809
Saskatchewan	217	17,592
Alberta	1,172	30,855
British Columbia	2,981	35,383
Yukon	6	462

COME-BY-CHANCE, NEWFOUNDLAND—REPAYMENT OF MONEYS EXPENDED ON CONSTRUCTION OF WHARF FACILITIES

Question No. 1,344—**Mr. Carter:**

1. Has the federal government requested the Government of Newfoundland, or any of its agencies and Crown corporations, to guarantee repayment to the Government of Canada of moneys to be expended by it in the construction of wharf and dock facilities at Come-by-Chance, Newfoundland and, if so (a) on what date was the request made (b) what has been the response?

2. Has Mr. John Shaheen, Shaheen Natural Resources Inc. or Newfoundland Refining Company Limited been requested by the Government of Canada to give such a guarantee and, if so, what has been the response?

Hon. Arthur Laing (Minister of Public Works): 1. The draft agreement now in the hands of the Crown Corporations of the province of Newfoundland requires a repayment to the Federal Government of the full cost of the wharf, plus interest, over a 25-year period. This has been the position of the Federal Government in all negotiations, and is accepted by the Crown Corporations.

2. The ownership of the refinery may not be transferred to the Newfoundland Refining Company Limited unless they assume the obligation to repay the balance owing on the wharf. This, again, is a condition of the agreement. The agreement has not as yet been signed, but the only outstanding issues under discussion are of

a technical nature, and have nothing to do with the provision to repay the Federal Government all costs, plus interest.

CANADA MANPOWER TRAINING PROGRAM

Question No. 1,353—**Mr. Nystrom:**

Are all trainees under the program of Occupational Training for Adults (OTA) referred and encouraged to participate in all occupational training programs available and, if so, how many (a) male (b) female, applicants are enrolled in each of the fields of training offered?

Hon. Otto E. Lang (Minister of Manpower and Immigration): No. Individuals are referred for training in those courses which are best suited to their needs and the needs of the labour market, and which will help them to increase their opportunities for employment or their earning capacity. (a) and (b). Of the persons who were authorized to receive full-time occupational training, approximately 75 per cent were male and 25 per cent female. Of those who were authorized to receive apprentice training during this period 88 per cent were male, 2 per cent female while the gender of the remaining 10 per cent is not recorded in training records.

PUBLIC SERVICE CONCURRENT COMPETITIONS

Question No. 1,355—**Mr. Aiken:**

1. With respect to the reply to Question Number 1,104 at page 4990 of *Hansard*, April 7, 1971, is it customary to have concurrent competitions for the same position in the Public Service and, if so, under what authority?

2. What distribution was made of the circular for Competition No. 70-430-27?

3. Were all persons who applied for Competition No. 70-ID-4301 notified that Competition No. 70-430-27 was being held?

4. How many other concurrent competitions have been held which would permit exclusion of certain applicants?

5. What selection standards were set for Competitions No. 70-ID-4301 and No. 70-430-27 and, how did they differ?

6. Would the successful candidate for Competition No. 70-430-27 have been eligible for appointment under Competition No. 70-ID-4301?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the Public Service Commission as follows: 1. Section 11(1) of the Public Service Employment Regulations authorizes the responsible staffing officer, where he has reason to believe that there are insufficient number of persons employed in the Public Service who are qualified for appointment to existing or anticipated vacancies, to conduct simultaneously a closed competition and a competition that is open to persons who are not employed in the Public Service.

2. Canada wide.

3. Persons who applied in Competition 70-ID-4301 were not personally notified of Competition 70-430-27. However, ten thousand posters were circulated as per (2).

4. Commission records are maintained in such a manner that this information cannot be extracted.

Questions

5. Selection Standards for the Economics, Sociology and Statistics Group approved and published by the Public Service Commission with effect from May 1970. Those used in Competitions 70-ID-4301 and 70-430-27 did not differ.

6. No—because 70-ID-4301 was a closed competition and was restricted to employees of the Public Service.

[*English*]

PUBLIC WORKS—PROJECTS IN CUMBERLAND-COLCHESTER NORTH, 1971-72

Question No. 1,370—**Mr. Coates:**

1. What projects will the Department of Public Works initiate in Cumberland-Colchester North during the fiscal year 1971-72, in the field of (a) public buildings (b) harbour and wharf improvements?

2. What repairs will be effected by the Department of Public Works in Cumberland-Colchester North to existing structures?

3. In each instance, what is the estimated cost of the proposed work and what is the estimated completion date of either new projects or repairs to existing structures?

Hon. Arthur Laing (Minister of Public Works):

1. (a)

Location	Project	Completion Date
Amherst	New Federal Building	Fall of 1972
Pugwash	Extension to Post Office	October 1971
Parrsboro	New building for Post Office and Fisheries and Forestry Departments	February 1972

(b) Nil.

Note: It is not customary to give estimated cost before a contract is awarded.

2.

Location	Project	Completion Date
Amherst	Dominion Public Building—Interior painting	July 1971
Truro	Federal Building—Waterproofing—Window Coverings	August 1971 July 1971
Brookfield	Post Office Buildings—	
Maccan Port Howe Malagash Joggins	Improvements to paving	September 1971
Advocate	Wharf repairs	September 1971
Malagash	Approach repairs	September 1971
Barrachois	Approach repairs	August 1971
Port Philip	Wharf repairs	July 1971
Parrsboro	Breakwater repairs	September 1971

In addition regular ongoing repairs and maintenance to small buildings and marine facilities, involving minor expenditures, will be carried out.

Note: It is not customary to give estimated cost before a contract is awarded.

3. Answered in parts 1 and 2, above.

Order for Return

QUEBEC—RENEWAL OF ARDA AGREEMENT

Question No. 1,389—**Mr. Rodrigue:**

Has the ARDA agreement between the Government of Canada nd the Government of the Province of Quebec been renewed and, if not, are discussions under way on the renewal of the agreement?

[*Translation*]

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Discussions are virtually complete and it is expected that a new agreement will be signed shortly.

[*English*]

HUNTING OF POLAR BEARS

Question No. 1,401—**Mr. Yewchuk:**

1. For each of the past five years, how many licences for hunting of polar bears have been issued to (a) Canadian hunters (b) foreign hunters?

2. During each year, how many polar bears have been shot by (a) Canadian hunters (b) foreign hunters by country of origin?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): 1. 1969-70 (a) six, (b) none. 1970-71 (a) one; (b) nine.

2. 1969-70 (a) six, (b) none. 1970-71 (a) none. (b) three bears taken by foreign hunters with two hunters still in the field. Country of origin of these foreign hunters is United States.

INDIAN AFFAIRS—STUDIES CONDUCTED BY DEVELOPMENT ANALYSIS SECTION

Question No. 1,409—**Mr. Barnett:**

With respect to the answer to Question Number 1,221 at page 5519 of *Hansard*, May 5, 1971, has an analysis been made for any other fiscal year or years subsequent to July 22, 1964 and (a) if so, for which fiscal year or years (b) if not, when will such an analysis be made and for what fiscal year or years?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Another such analysis has not been undertaken since July, 1964 and it is uncertain when manpower resources could be made available to carry out a similar comprehensive study.

* * *

QUESTION PASSED AS ORDER FOR RETURN

VALUE OF GOVERNMENT'S REAL PROPERTY

Question No. 358—**Mr. Fortin:**

1. What is the value of the government's real property excluding public lands?

2. During each of the past five years, what was the value of new investments?

3. Does the management of real property come exclusively under the Department of Public Works?

4. Is there a complete inventory of government properties?

Return tabled.

[Mr. Laing.]

• (2:25 p.m.)

MOTIONS FOR PAPERS

STUDY BY TIM RYAN FOR DEPARTMENT OF MANPOWER AND IMMIGRATION

Motion No. 37—**Mr. Orlikow:**

That an Order of the House do issue for a copy of the study by Tim Ryan, Port Arthur, Ontario, undertaken for the Department of Manpower and Immigration regarding "Evaluation on the activities of the CNR-ILA Joint Committee at North Sydney, Nova Scotia".

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notice of Motion for the Production of Papers No. 37 is acceptable to the government.

Motion agreed to.

COMPTON CONSTITUENCY—CORRESPONDENCE RELATING TO BUILDING OF POST OFFICES, ETC.

Question No. 230—**Mr. Latulippe:**

That an humble Address be presented to His Excellency, praying that he will cause to be laid before this House a copy of all briefs, correspondence and other documents exchanged between the Government of Canada and the constituency of Compton (municipalities, individuals and agencies) with respect to the building of post offices or any federal building in the said constituency since January 1, 1968 to date.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, Notice of Motion for the Production of Papers No. 230 is acceptable to the government subject to the usual reservations concerning confidential documents and the authorization of the government authorities concerned.

[*Translation*]

Mr. Speaker: Subject to the conditions laid down by the parliamentary secretary, is it the pleasure of this House that notice of motion No. 230 be deemed to have been agreed to?

Some hon. Members: Agreed.

[*English*]

Mr. Jerome: Mr. Speaker, may I ask that the remaining Notices of Motion for Papers be allowed to stand?

Mr. Speaker: Shall the remaining Notices of Motion stand?

Some hon. Members: Agreed.

Mr. Howard (Skeena): Mr. Speaker, I should like to rise on a point of order in respect of Notices of Motions for the Production of Papers Nos. 3 and 7 which have stood in my name on the order paper since October 8, 1970. I should like to inquire as to what progress, if any, is being made in the production of these documents? Surely after this length of time there should be some indication of ability to produce them.

Mr. Jerome: Mr. Speaker, I have made a note of the numbers and I will look into them and communicate personally with the hon. member as to our progress in this regard.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

U.S.S.R.-CANADA PROTOCOL ON CONSULTATION—CONSIDERATION BY HOUSE OF COMMONS

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I should like to direct a question to the Acting Prime Minister in connection with the treaty, misnamed protocol, negotiated by the Prime Minister and the Soviet Union. Is it the intention of the government as a condition precedent to final acceptance to have this document brought before the House for discussion, debate and decision?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the agreement has not been misnamed; it is a protocol, not a treaty. I have tabled it in the House and so far as I can see it is being debated during the question period.

Mr. Baldwin: Mr. Speaker, will the government take the first opportunity to set aside a government day in order that this document can in fact be considered by the House?

Mr. Sharp: As I recall the situation, Mr. Speaker, there are many opposition days available on which the opposition would have plenty of time, if it wished, to discuss this or any other matter on which we would like to hear their views.

Mr. Baldwin: Mr. Speaker, am I to take it from the Acting Prime Minister that he is inviting the opposition to take the first opportunity on an opposition day to bring forward this matter?

Mr. Sharp: I would be delighted to hear the views of the opposition, which apparently are opposed to opening consultations with the Soviet Union on matters that have been raised in the House.

Mr. Speaker: Order, please. It seems to me that a debate is under way. The Chair will now recognize the hon. member for Greenwood.

INQUIRY AS TO SUSPENSION OF DEVELOPMENT AID TO PAKISTAN

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Acting Prime Minister. In light of the answer he gave to a question yesterday when he said that the United Kingdom and the United States of America have not suspended economic aid to Pakistan, I should like to ask whether the United Kingdom and the United States have ceased to make new commitments for economic aid to Pakistan pending a solution of the crisis in East Pakistan, and what is the Canadian government's attitude toward this matter?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, the Canadian position is that we are not entering into any new commitments but we are carrying on with those that have been made. I understand that this is more or less the general policy of all donor countries.

Inquiries of the Ministry

AID FOR REFUGEES FROM EAST PAKISTAN

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a supplementary question for the Secretary of State for External Affairs. Will he tell us whether the government is making or planning to make any direct donation in respect of the refugees from East Pakistan now in India?

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker. As I said in answer to a question yesterday, I hope before the week is out to be able to announce the amount of our contribution.

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CONSUMER AFFAIRS

ACTION TO RESTRAIN ROLLED STEEL PRICE INCREASES—REQUEST FOR STATEMENT ON GOVERNMENT POSITION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, my question is for the Acting Prime Minister. Can he inform the House whether the government had any prior information in respect of the rolled steel price increases announced today, and can he indicate whether any effort was made a priori to bring about some restraint on this increase which I believe amounts to over 4 per cent?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I was personally not informed and so far as I know my colleagues were not. I would have to check, however, to ascertain whether I can speak for all my colleagues in this regard.

Mr. Lundrigan: Perhaps the Acting Prime Minister, the Minister of Finance or some other member of the cabinet can indicate whether any representation has been made as of today by way of a formal response from the government to the companies—I believe three major Canadian companies are involved—concerning whether the increases are justified? Also, has the government taken a position on the announced increases?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, the information just came to my attention this morning that there were proposals for increases in July. At present my department is taking a look at the matter, and I am sure my colleague, the Minister of Consumer and Corporate Affairs, will also be taking a look at it.

Mr. Lundrigan: May I ask the Acting Prime Minister whether he or the Minister of Consumer and Corporate Affairs will make tomorrow or on Friday a statement in the House giving the official response of the government toward these increases?

Mr. Sharp: Mr. Speaker, I believe the Prices and Incomes Commission has a general responsibility to look at price increases of this kind. I will ascertain from my colleague, when he returns from the consumers' conference he is attending today, whether he would like to supplement the answer that has been given in the House today.

Inquiries of the Ministry

[*Translation*]

CANADIAN CONSTITUTION

PURPOSE OF TRIP BY MINISTER OF JUSTICE TO LONDON

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to put a question to the Acting Prime Minister.

Could he advise the House whether the Justice Minister's trip to London is designed to have the Westminster government accept a Canadian resolution concerning the repatriation of our constitution?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not know whether I could answer that question with a simple yes or no, but I can confirm that the Minister of Justice is in London to talk about the procedure which would be followed in bringing the Canadian constitution to Canada, which I hope will be accomplished.

* * *

[*Translation*]

FEDERAL-PROVINCIAL CONFERENCE

STUDY OF FORMULA TO AMEND CONSTITUTION—UNANIMITY OF PROVINCES

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a supplementary question I wish to direct to the Acting Prime Minister.

Could he tell this House, considering a lack of consensus on the part of the provinces on the new amending formula, whether the federal government has decided to delete from the Victoria conference agenda any consideration of the amending formula, in such a way that the discussions would deal only with the repatriation of the Canadian constitution?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is not my understanding that the differences among the provinces and the federal government are such that they would interfere with the accomplishment of a fundamental reform of the constitution. The Canadian government is proceeding on the basis that there is a wish and, indeed, a desire to accomplish this fundamental reform that was discussed at the last meeting.

POSSIBLE CHANGE IN DATE BECAUSE OF SASKATCHEWAN ELECTION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, will the announcement that an election is to take place in Saskatchewan on June 23 mean a change in the date of the meeting to discuss constitutional amendment which is scheduled for Victoria on June 14?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. I think the conference will proceed as planned.

[Mr. Sharp.]

DRUGS

DISPENSING OF VITAMIN PREPARATIONS BY PRESCRIPTION

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare based upon his statement earlier on motions that his department seeks to reduce the cost of prescription drugs. Are any plans afoot within his department to place vitamin preparations on a prescription basis?

Hon. John C. Munro (Minister of National Health and Welfare): Not that I am aware of, Mr. Speaker, but I will check into it.

Mr. Howard (Skeena): When the minister is checking into that, will he also check to see whether any representations have been made to that end and inform us from whom representations have been received?

* * *

[*Translation*]

GRAIN

BARLEY—ALLEGED HIGHER PRICE TO EASTERN FARMERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct my question to the minister in charge of the Canadian Wheat Board.

The Canadian Wheat Board is said to have recently sold for export 100,000 tons of feed barley at a price of 93 cents a bushel, F.O.B. Churchill, and my question is: Why do Eastern Canada cattle farmers always have to buy their feed barley at a price higher than that set by the Canadian Wheat Board for export purposes?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I would want to take that question as notice to ascertain the facts. It is not normal to comment on the sale price of a particular sale of barley. Of course, from time to time prices do vary on the basis of different ports and destinations, and transportation costs to the interior of Canada are certainly different from those simply out of Churchill.

* * *

INDUSTRY

FOREST PRODUCTS, CHEMICALS—DETERIORATING FINANCIAL POSITION—BUDGET ACTION

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is for the Minister of Finance. Has the minister become aware, and, if so, has he advised his fellow cabinet members, of the worsening position in the Canadian forest products industry which this year has seen a further decline in profits of some 90 per cent, the

position of lumber firms and the chemical industry, and the tremendous decline in Canada's basic industries, all contributing to unemployment?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I have had representations from the Canadian forest industry, particularly the pulp and paper industry which is having a very difficult time at present as is the pulp and paper industry thoughout the world. The profits of the United States pulp and paper industry went down by one-third in the first quarter of this year.

Mr. Lambert (Edmonton West): Mr. Speaker, concerning Canadian industry and Canadian employment, is the minister going to take positive measures in his budget to reverse this particular trend?

Mr. Benson: Mr. Speaker, I cannot say what action I intend to take in the budget. I can say I have had representations from the pulp and paper industry.

* * *

NATIONAL SECURITY

REFUSAL TO PAY RANSOM MONEY TO KIDNAPPERS OF LATE PIERRE LAPORTE

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in the absence of the Minister of Justice who has been away a number of days—I make nothing of that—I should like to direct a question to the Acting Prime Minister. Last week I asked a question of the Minister of Justice in reference to an alleged statement by Jacques Sauriol that the Canadian government had knowledge that a ransom was paid for the release of Mr. Cross and that the federal government acquiesced and knew about it but at the same time refused the same kind of remedy in reference to the late Mr. Laporte. I have a letter to that effect and since allegations have been made at a press conference by Mr. Sauriol I would hope the Acting Prime Minister in his capacity of Secretary of State for External Affairs would now set the record straight.

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I would certainly like to set the record straight. If the hon. gentleman could let me look at the letter I would endeavour to have an answer for him as soon as possible.

Mr. Woolliams: Mr. Speaker, this matter has been hanging around for the last six or seven days and I am sure it has been brought to the attention of the Acting Prime Minister. Surely he can answer the question now. Did the government have knowledge that a ransom was paid for the release of Mr. Cross by any power or group of people and the same action was refused on behalf of the late Mr. Laporte?

Mr. Sharp: The answer to the question is no, Mr. Speaker.

Inquiries of the Ministry

INDUSTRY

PAUL MANEY LABORATORIES—ACTION TO PREVENT SALE TO FOREIGN INTERESTS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of National Health and Welfare. It arises from the welcome statement he made today about the availability of generic drugs in Canada. In view of the minister's program and the need to maintain a viable, healthy Canadian generic drug industry, is it his intention to look into the situation of Paul Maney Laboratories and prevent its sale to foreign interests?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not consider that aspect of the problem to be a direct responsibility of my department but rather a problem to be looked at by the entire government.

Mr. Saltsman: Is the minister giving consideration to the establishment of a Crown corporation for the manufacture of drugs in Canada?

Mr. Munro: Not at this time, Mr. Speaker.

* * *

POST OFFICE

LAST DAILY PICK-UP OF MAIL IN CITIES

Mr. Robert McCleave (Halifax-East Hants): My question is addressed to the Postmaster General soon to be. I have given him notice of it. Does the Post Office intend to continue the 3 p.m. pick-up of mail in major cities as the latest hour of daily pick-up, or will this controversial program be dropped?

[*Translation*]

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, the time of mail pick-up has been changed in several important cities in order that we may ensure a better delivery service. We are also asking our clients to put their mail in the boxes earlier in order to improve the service.

[*English*]

SUGGESTED LOWER POSTAL RATES FOR CHARITABLE ORGANIZATIONS

Mr. Louis-Roland Comeau (South Western Nova): I should like to ask the minister responsible for the Post Office whether he has received representations and whether he is giving any thought to lowering postage rates for charitable organizations in view of the many representations that have been made in this regard?

[*Translation*]

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I have received only one request on behalf of three different organizations and although we are considering it now, I must say that I am not very optimistic.

Inquiries of the Ministry

[*English*]

REGIONAL ECONOMIC EXPANSION

NEWSTART PROGRAM, THE PAS, MANITOBA—APPOINTMENT OF BOARD OF DIRECTORS AND ALLOTMENT OF FUNDS

Mr. Robert Simpson (Churchill): I have a question for the Minister of Regional Economic Expansion. It relates to the Newstart program at The Pas, Manitoba. In view of the reported $1 million budget for this project and in view of the fact that little or nothing is being done for lack of a mandate, can the minister say when the board of directors will be appointed and moneys allotted in order that projects can be commenced?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, will you allow me to take at least part of this question as notice and I will give an answer to the hon. member. It is sufficient for me to say at this time that the Newstart program is also under the jurisdiction of the provincial government and that from now on the latter will have to be requested to make appointments.

* * *

NATIONAL DISASTERS

SAINT JEAN-VIANNEY—FEDERAL AID TO VICTIMS

Mr. Henry Latulippe (Compton): Mr. Speaker, could the Acting Prime Minister tell us whether the government intends to take any action in order to help the victims of Saint Jean-Vianney, Lac-Saint-Jean, and what will be its contribution?

[*English*]

Hon. Mitchell Sharp (Acting Prime Minister): My colleagues have informed me that we are now in touch with the provincial government and discussing how best the federal government can help.

* * *

GRAIN

WHEAT—EXPORT POSITION IF GREAT BRITAIN ENTERS EUROPEAN COMMON MARKET

Right Hon. J. G. Diefenbaker (Prince Albert): My question is directed to the Minister of Manpower and Immigration. I would like him to let the farmers of Canada know, particularly the wheat farmers, what the situation is expected to be in reference to the reduction of wheat exports if Great Britain enters the European Common Market?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Not only is the question a hypothetical one but it is obviously highly speculative as well. The British Minister of Agriculture indicated a year ago in conversation with me that he expected no significant diminution in the requirements of Great Britain for the quality of wheat which is grown by Canada and can be supplied by Canada and several of its competitors, and therefore our access for that particular grain should be relatively assured. However, the broader question of the implications for coarse grains is quite a different matter since they are available within the Common Market itself on occasion.

Mr. Diefenbaker: My question is directed to the subject matter of wheat and it is no longer a speculative situation. Has the Wheat Board made any estimate as to the reduction in wheat exports to the United Kingdom should Britain enter the Common Market as is now apparently beyond question?

Mr. Lang: Mr. Speaker, it will continue to be the Wheat Board's objective to maximize our exports of wheat by maintaining the best of relations with customers such as the United Kingdom and also such as the Soviet Union, if I may mention it in passing.

Mr. Diefenbaker: I wonder whether the minister would give Parliament the information that is apparently available outside. Does he know that Mr. Gibbings, his friend and supporter who is now on the Wheat Board, has said within the last few days that there will be substantial reduction in exports of wheat to the United Kingdom? Has he not told the minister that?

Mr. Lang: I believe I have read the same press reports as the right hon. gentleman. I notice that the press reports referred to coarse grains without very much specification.

Mr. Diefenbaker: I am speaking of wheat. So that there will be no misunderstanding, I am asking about wheat. I am not asking about flaxseed or any other seeds or grains. What about wheat? Let us have an answer from the minister.

Mr. Lang: I think it is true that I have answered very fully both with regard to wheat and to other things about which the right hon. gentleman chose not to ask.

Mr. Diefenbaker: The minister did not answer about wheat. The minister does not know; the Wheat Board does not tell him.

[*Later:*]

Mr. J. H. Horner (Crowfoot): I have a supplementary question for the minister in charge of the Canadian Wheat Board. Is it not a fact that if Great Britain enters the European Common Market the tariff on grain going into that country from Canada will be increased from $68 a ton?

Mr. Speaker: Order, please. I suggest that the hon. member has put his question in an argumentative manner when he says "is it not a fact" that such and such will result from an action. I do not think that a question asked in those terms is in order. He might wish to rephrase the question.

Mr. Horner: Indeed, I would like to rephrase my question. Will there be an increase in the tariff on grain going into Great Britain if that country joins the European Common Market, and how much will that increase be?

Mr. Lang: The situation as it may develop in future years is of course not known at this point. The situation at present in so far as it is known at this time was indicated clearly in the statement I made to the House some time ago. I will send the hon. member the page reference in *Hansard* in a moment.

Mr. Diefenbaker: He does not know.

[*Later:*]

Mr. Les Benjamin (Regina-Lake Centre): In light of the reply the minister in charge of the Wheat Board made earlier to the right hon. member for Prince Albert about the conversations he had with the British Minister of Agriculture and the assurance that there would be no reduction in high grade wheat exports to the United Kingdom, I should like to ask the minister two things: first, can he get that in writing or has he got it in writing and, second, what if any negotiations or meetings are going on now between the government or the Canadian Wheat Board with the British government in terms of maintaining or protecting not only wheat but all grain sales when Britain joins the Common Market?

Mr. Lang: The shortest answer is that two of the commissioners of the Canadian Wheat Board have recently been in London discussing our wheat market with our principal buyers there en route to discussing markets with other people in other places in Europe.

INQUIRY AS TO SALES TO JAPAN

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, can the minister responsible for the Wheat Board tell the House whether Canada was successful in making any sales in response to the bids that Japan opened on May 19?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I believe that we were in regard to both wheat and barley, although I must say that my recollection of the information may be with regard to a different date and I will want to check that to be certain.

SALE OF LOW-GRADE WHEAT TO UNITED ARAB REPUBLIC

Mr. A. P. Gleave (Saskatoon-Biggar): I should like to ask the minister responsible for the Wheat Board whether, in view of a report in the Winnipeg *Free Press* that Canada did not have quantities of low-grade wheat so that it could make sales to the United Arab Republic, a survey was made of the quantities of low-grade wheat on the farms which would justify this statement?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I can give the flat assurance to the hon. member that no sale to the U.A.R. was lost because of any lack of low-grade wheat, and I can assure the hon. member that that report in the Winnipeg *Free Press* is about equivalent to the other kinds of reports they are giving these days such as in regard to C-176—

Mr. Speaker: Order, please.

Inquiries of the Ministry

INDUSTRY

AIRCRAFT—REQUEST FOR REPORT ON PROPOSED RATIONALIZATION—POSITION OF DE HAVILLAND COMPANY AND WORKERS

Mr. S. Perry Ryan (Spadina): My question is for the Minister of Transport, Mr. Speaker. In view of the proposed rationalization of the aircraft industry and its importance to Canada, will the minister consider giving the House a progress report on this subject?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, I will be glad to do that at the earliest possible moment. Talks are going on now and I hope to undertake others in London and Paris within the next few days. Perhaps upon my return from those I shall be able to say something definitive.

Mr. Ryan: In view of the unemployment situation in Toronto would the minister give an undertaking that the work force at de Havilland will not be reduced as a result of this proposed rationalization and that the undertaking at de Havilland will not be removed from the province of Ontario?

Mr. Jamieson: Mr. Speaker, the whole objective of the program and the exercise is to ensure the viability of all elements within the aerospace industry. Certainly my objective is not to have one element of it improve at the expense of another.

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HARBOURS

MONTREAL—ESTABLISHMENT OF PORT AUTHORITY

Mr. Ian Watson (Laprairie): My question is for the Minister of Transport, Mr. Speaker. In view of some questions raised in the public mind about the future of the port of Montreal I should like to ask the minister whether he could inform the House when a port authority for Montreal will be established?

Hon. Donald C. Jamieson (Minister of Transport): It is my intention to consult with the various bodies within the port of Montreal during the next couple of weeks, Mr. Speaker, and to name the port authority for it and for other major ports in Canada hopefully before the end of June.

[*Later:*]

Mr. Watson: I wonder if the minister could also assure the House that the port authority which he announced will be created soon will be empowered to take local initiatives such as a cargo flow study and a land use study for the port of Montreal?

Mr. Jamieson: Yes, Mr. Speaker. We would propose to give it the maximum amount of autonomy consistent with the act. One of the main objectives for Montreal, as elsewhere, would be not only to undertake forecasts but the promotion of the port to maintain Montreal as one of the most vital elements in our port system.

Inquiries of the Ministry

HEALTH

POSSIBLE DANGER FROM USE OF AEROSOL UNDERARM SPRAYS—ACTION TO BAN PRODUCTS

Mr. P. B. Rynard (Simcoe North): I have a question for the Minister of National Health and Welfare, Mr. Speaker. In view of the statement recently made at a meeting of the American Thoracic Society that the use of aerosol-type sprays as underarm deodorants may cause lung lesions and may be potentially dangerous to patients with cardiac or respiratory diseases, what steps is the government taking to ban the two commercial brands that have been identified by researchers?

Hon. John C. Munro (Minister of National Health and Welfare): I am aware, Mr. Speaker, that the Food and Drug Directorate is looking into this matter and I shall advise the House of the results of the study.

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UNEMPLOYMENT INSURANCE

EXTENSION OF SERVICE FOR SOUTHWESTERN ONTARIO

Mr. H. W. Danforth (Kent-Essex): My question is for the Minister of Labour, Mr. Speaker. May I ask the minister whether, as a result of representations that have been made, any decision has been taken yet on a further extension of service by unemployment insurance offices in southwestern Ontario? If so, could we be furnished with a list of the locations?

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I thank the hon. gentleman for his question and would ask that I be permitted to table the answer or perhaps have it printed as an answer to a written question as it is rather detailed. I am prepared to outline all the specific locations across the country.

* * *

[*Translation*]

SPORTS

MONTREAL—OLYMPIC GAMES—DISCUSSION BETWEEN MINISTER AND MAYOR OF MONTREAL

Mr. Georges Valade (Sainte-Marie): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare.

Could he tell us what was the subject of the talks he had yesterday with the mayor of Montreal, Mr. Drapeau? Were there any mention of decisions about the 1976 Olympic Games and what were these decisions?

[*English*]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I would advise the hon. member that no decisions were taken. It was more a question of exploring the avenues of what the mayor and his organizing committee were doing relative to the Olympic Games in Montreal in 1976, and how some of these activities would relate to the fitness and amateur sport program, set out in a document which I forwarded to all members some time ago, in terms of the sports activities that the federal government is encouraging.

[Mr. Jamieson.]

[*Translation*]

Mr. Valade: Mr. Speaker, I should like to put a supplementary question to the minister.

I would like to ask him, since he intends to intervene in the matter of sports and recreation, whether before taking a decision he has or will ask the advice of the provincial authorities in order not to interfere in a provincial jurisdictional field, while providing some assistance to the City of Montreal as far as the Olympic Games are concerned?

[*English*]

Mr. Munro: Mr. Speaker, all the activities undertaken by the fitness and amateur sports directorate of the Department of National Health and Welfare are co-ordinated very well, and have been on an ongoing basis since the program's inception, with the provinces. That co-ordination takes place with the province of Quebec as it does with other provinces.

Mr. Donald MacInnis (Cape Breton-East Richmond): A supplementary, Mr. Speaker. The Minister of National Health and Welfare just spoke of the performance of the physical fitness and amateur sport branch since its inception. Is the minister aware that this program was initiated in 1960, almost 11 years ago and not the two or three years he mentioned yesterday when the administrative centre was being opened?

* * *

POLLUTION

ENFORCEMENT OF LIMITATION ON PHOSPHATE CONTENT IN DETERGENTS—COMPLETE ABOLITION

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question for the Minister of Energy, Mines and Resources, Mr. Speaker. In view of the recent relaxation of similar legislation in the United States, is the Canadian law limiting phosphate content to 20 per cent in detergents and household cleaners being strictly enforced to keep products containing above the percentage off the grocery shelves?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, this responsibility is now being administered by the Minister of Fisheries and Forestry, soon to be minister of the environment. To the best of my knowledge the Canadian regulations made effective last August are being strictly enforced, but I undertake to check and if that is not correct I shall let the House know.

Mrs. MacInnis: May I ask the minister what date has been set for the complete ban from the market in Canada of detergents and household cleaners containing phosphates?

Mr. Greene: Mr. Speaker, the date was originally January 1, 1972, but I will undertake again to confirm that for the hon. member.

INQUIRY OF THE MINISTRY

Mr. Jack McIntosh (Swift Current-Maple Creek): I should like to direct my question to the Acting Prime Minister, Mr. Speaker. Now that the provincial election has been announced in Saskatchewan, has Premier Thatcher given permission to the federal government to call a by-election in the federal constituency of Assiniboia?

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LABOUR RELATIONS

DISPUTE BETWEEN HUDSON BAY MINING AND SMELTING COMPANY AND EMPLOYEES—STATE OF NEGOTIATIONS

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Labour. Is there any break in the strike at the Hudson Bay Mining and Smelting Company at Flin Flon? Has the Department of Labour a representative on the scene or are they, like the maid at the ball, sitting around waiting to be asked?

Hon. Bryce Mackasey (Minister of Labour): We have had a mediator involved for several months, Mr. Speaker. There is no break in the strike, but I understand that negotiations or discussions are going on at this moment between the various unions involved.

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[*Translation*]

THE CENSUS

NUMBER OF UNEMPLOYED ENGAGED FOR CENSUS-TAKING

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a question to the Acting Prime Minister, in the absence of the Minister of Industry, Trade and Commerce.

Since 42,000 persons have been hired for the census, could the Acting Prime Minister tell us how many among them were really unemployed?

Mr. Speaker: The hon. member is asking the minister concerned to give some statistics. I think that the question could easily be put on the order paper.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

REQUEST BY MEMBER OF ARGENTIA TASK FORCE THAT CHAIRMAN RESIGN

Mr. Walter C. Carter (St. John's West): My question is directed to the Minister of Regional Economic Expansion, Mr. Speaker. Can the minister tell the House what action he has taken in response to representations made to his department and the Minister of Transport that the chairman of the Argentia task force be asked to resign on the basis that he misled the committee and that he has failed to function?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Unfortunately I did not get the first part of the question, Mr. Speaker.

Mr. Carter: I will repeat it. I am asking the minister what action he has taken on the representations made to his department and to the Department of Transport requesting that the chairman of the Argentia task force be asked to resign?

Mr. Marchand (Langelier): No, Mr. Speaker.

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TRANSPORT

IMPLEMENTATION OF REPORT ON COASTING TRADE—FEDERALLY SPONSORED MARINE INSURANCE PROGRAM

Mr. Thomas M. Bell (Saint John-Lancaster): I have a question for the Minister of Transport, Mr. Speaker. Now that we have had a chance to digest the very comprehensive Darling report on shipping, will the minister take this opportunity to express his determination to proceed with this very well received report, and what does he envisage as the government's timetable for parts of it?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, the object in tabling the report was to invite comment. I welcome the opportunity to indicate that I will be glad to hear representations from anyone with an interest in the report. I agree that it is a "Darling" report. We will do our very best to implement as quickly as possible those parts of it which seem to have public favour.

Mr. Bell: As one old dear to another, will the minister say what he is going to do about a federally sponsored marine insurance program, which is mentioned as something the government should proceed with as soon as possible?

Mr. Jamieson: Mr. Speaker, in anticipation of the report and prior to its publication I had already made representations to the insurance industry, particularly in the United Kingdom. One of the alternatives we put before them was the possibility of some form of sponsored insurance in the event that their rates did not become more reasonable. I hope that we will be able to work out one or other of these alternatives.

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OIL

PROPOSED TANKER ROUTE BETWEEN ALASKA AND STATE OF WASHINGTON—OFFICIAL EXPRESSION OF CANADIAN OPPOSITION

Mr. Randolph Harding (Kootenay West): Mr. Speaker, my question is for the Acting Prime Minister. In view of

information that the United States government will bring down a decision in the near future regarding the trans-Alaska pipeline, will this government take a firm, official stand now and express to the United States government our opposition to any proposed oil tanker route which might be set up off our west coast from Alaska to the state of Washington?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, as I have said many times in the House, officials of the government met with officials of the United States government to express our concern about the ecological dangers of this route. I expect to have another opportunity on June 10 of making the same point to my opposite number in the United States.

Mr. Eldon M. Woolliams (Calgary North): A supplementary question, Mr. Speaker. I should like to try to flush out the Acting Prime Minister on this question. Would he tell us the reaction of the United States to this submission, and on what studies was his submission based? We have gone into this matter previously. Upon what study was the submission based, and what was the reaction of the United States?

Mr. Sharp: Mr. Speaker, perhaps we are as expert as anyone else in the world on the ecological dangers of oil spills in the ocean. We have had to clean some up.

Mr. Woolliams: Mr. Speaker, if we have to rely on this expert, God help us!

Some hon. Members: Oh, oh!

An hon. Member: Flush again.

* * *

HEALTH

ABNORMAL TURNOVER OF STAFF AT CHARLES CAMSELL HOSPITAL ALLEGEDLY CAUSED BY DEPARTMENTAL INTERFERENCE IN OPERATION

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the interference by the minister and his department in the operation of the Charles Camsell Hospital in Edmonton, is the minister aware that this has caused a wholesale hiring and firing of staff and has reduced the efficiency of qualified personnel in fulfilling their duties?

Hon. John C. Munro (Minister of National Health and Welfare): I am not aware, Mr. Speaker, that it has had that type of result at all. In fact, I disagree with many of the conclusions of the hon. member.

Mr. Paproski: Are you disclaiming responsibility for your department?

Mr. Speaker: Order, please. I point out to the hon. member that questions should be addressed to the Chair.

[Mr. Harding.]

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[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—TIME REQUIRED TO APPROVE PROJECTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Parliamentary Secretary to the Secretary of State.

Following many requests made by young people who submitted projects under the Opportunities for Youth program, may I ask the parliamentary secretary how much time is needed between the submission of a project and its approval?

[*English*]

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, probably a more relevant piece of information that I might offer to the House is that all projects which are approved will be notified before the end of this week.

[*Translation*]

Mr. Lambert (Bellechasse): Mr. Speaker, I have a supplementary question.

As time is of the essence, are the interested parties notified by telegram or by telephone?

[*English*]

Mr. Faulkner: Mr. Speaker, they will get the answer by telegram.

* * *

HEALTH

CURTAILMENT OF SHARED-COST PROGRAM EXPENDITURES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Will the federal government be putting forward concrete proposals at the current dominion-provincial health ministers conference designed to curtail the rising costs of shared-cost programs, especially hospitalization and medical care, which in the view of Premier Thatcher are impairing his province's ability to finance other necessary expenditures?

Mr. Speaker: Order, please.

* * *

FINANCE

PROVINCIAL BORROWING IN UNITED STATES—GOVERNMENT POSITION

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I wish to direct a question to the Minister of Finance. It deals with the provinces going to the United States in order to borrow money. I ask the minister whether he accepts the accusation that federal policies are forcing the provinces to increase their borrowings in

United States money markets? If so, is it the policy of the government to encourage further provincial borrowings in the United States?

Hon. E. J. Benson (Minister of Finance): No, Mr. Speaker, I do not accept the premise of the question. We are certainly not encouraging the provinces to borrow in the United States.

Mr. Alexander: In light of the concern expressed by the treasurer of Ontario that federal borrowing policies are now leaving little room for the provinces and municipalities to borrow in the Canadian market, is the minister prepared to meet the other two levels of government and agree upon a co-operative use of the Canadian money market?

Mr. Benson: Mr. Speaker, I think the treasurer of Ontario did not fully understand the situation when he made that remark.

Mr. Alexander: In light of the confusion with respect to priorities in this country regarding the constitution or economic policies, would the minister use his influence to flip-flop what the Acting Prime Minister has said in order to make certain that economic policies are dealt with at the forthcoming federal-provincial conference?

An hon. Member: That is mostly a flop.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

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POST OFFICE

EXTENSION OF NEW POSTAL CODE SYSTEM TO OTHER AREAS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the soon-to-be Postmaster General.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Can the hon. gentleman say how soon the new postal code system will be extended to other areas in Canada so that those who receive letters from us will not be mystified by the six-character code that we put on our letters?

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, we had to start with one city. We started with Ottawa. Studies are being conducted throughout the country and soon all cities will be codified.

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EXTERNAL AFFAIRS

PRESENCE OF JAPANESE VESSELS FISHING FOR SALMON OFF GREENLAND

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I direct a question to the Acting Prime Minister in his capacity as Secretary of State for External Affairs. Can he say whether the department has any evidence that at the moment a number of Japanese vessels are fishing for salmon off Greenland on the high seas, along with the Danes, and that this is the first evidence of the presence of fishing vessels of Japan in that part of the world?

Hon. Mitchell Sharp (Secretary of State for External Affairs): No, Mr. Speaker. I thank the hon. member for the intelligence.

Mr. Lundrigan: Mr. Speaker, I am glad the minister has acquired some intelligence because he is in dire need of it. Would he take the question under advisement, no matter where the intelligence came from? Would he investigate the probability of the presence of Japanese fishing vessels and seriously and sensibly make an official Canadian response to this very serious and chronic problem?

Mr. Sharp: Mr. Speaker, I always consider very carefully what the hon. gentleman says.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

GOVERNMENT ORGANIZATION ACT, 1970

PROVISIONS RESPECTING DEPARTMENTAL REORGANIZATION, MINISTRIES OF STATE, PARLIAMENTARY SECRETARIES, ETC.

On the order:

May 25, 1971—Third reading of Bill C-207, an act respecting the organization of the government of Canada and matters related or incidental thereto.—*the Prime Minister.*

Mr. Speaker: Order, please. Mr. Mackasey, for Mr. Drury, seconded by Mr. Richardson, moves that Bill C-207, an act respecting the organization of the government of Canada and matters related or incidental thereto, be now read the third time and do pass.

Mr. McCleave: Mr. Speaker, I rise on a point of order. Since the minister is in the House, why was the motion not moved in his name?

Mr. Speaker: The point is well taken. The Chair did not notice the presence of the learned and distinguished minister. Perhaps the record might be amended to indicate that the motion is put in the name of the President of the Treasury Board (Mr. Drury), seconded by the Minister of Supply and Services (Mr. Richardson).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, speaking to the same point of order, perhaps the record ought to show that the bill stands in the name of the Prime Minister (Mr. Trudeau).

Mr. Speaker: I am sure hon. members recognize that the bill stands in the name of the Prime Minister (Mr. Trudeau) and not in the name of the minister moving the motion.

Government Organization Act, 1970

Hon. C. M. Drury (for the Prime Minister) moved that Bill C-207, respecting the organization of the government of Canada and matters related or incidental thereto, be read the third time and do pass.

• (3:10 p.m.)

Mr. James A. McGrath (St. John's East): Mr. Speaker, when the bill was in committee of the whole a number of amendments were moved which resulted in fairly extensive debate. One of these amendments was subsequently withdrawn because the government decided to meet us part way with regard to the clause dealing with the new department of the environment.

We expressed fears that the downgrading of the Department of Fisheries in this manner would have very serious consequences on the fishing industry in Canada, particularly the thousands of Canadians who are dependent upon that industry for their livelihood. To give meaning to our fears we moved a number of amendments, one of which was to set up two deputy ministers under the new department of the environment, one of whom would have responsibility for the fishing industry: he would be designated as the deputy minister of fisheries in the same way as the two deputy ministers in the Department of National Health and Welfare—one is designated as the deputy minister of health and the other is designated as the deputy minister of welfare.

This amendment was rejected by the government and subsequently debated in committee of the whole. However, the government decided to bring in an amendment indicating that the Minister of the Environment shall be the Minister of Fisheries; in other words, designating that there shall continue to be a Minister of Fisheries. A clause to this effect was inserted in the bill by the committee.

At that time I argued, as did the hon. member for Winnipeg North Centre (Mr. Knowles), that if you are to have a Minister of Fisheries it is necessary to have a consequential amendment to clause 4 of the bill to provide for a deputy minister of fisheries. It would be virtually the same amendment. In other words, we would indicate that the deputy minister of the environment would be the deputy minister of fisheries.

I find it difficult to understand why the government would reject this suggestion or why they did not incorporate it in their amendment in the first instance. It seems logical that one follows the other. It would help substantially to alleviate our fears for the future of the fishing industry, particularly with regard to the attention the industry will receive under the new departmental set-up.

We believe the bill now before the House is an improved bill. It is a better bill as a result of the debate which took place in committee of the whole. It is not nearly as repugnant to us in so far as the fishing industry is concerned. We would have liked "Fisheries" incorporated in the title of the department. This is what we set out to do by our amendment. Our amendment sought to change the proposed title from "Department of the Environment" to "Department of Fisheries and the Environment." However, we are reasonably happy that there will continue to be a Minister of Fisheries.

For the same reasons we believe there should continue to be a deputy minister of fisheries. I reject out of hand the argument put forward by the President of the Treasury Board (Mr. Drury), that in order for there to be a deputy minister of fisheries there has to be a department of fisheries. This is not so, because the bill which sets up new ministers of state will also set up the equivalent of deputy ministers. They will be called secretaries, but they will be deputy ministers. They will not have the responsibility of presiding over a department of government in the traditional sense. I do not think that argument holds water.

When you examine the new departmental organization of the proposed department of the environment, the idea of having a deputy minister of fisheries makes all the more sense. Under the new departmental set-up the department will be presided over by a minister. Under him will be a deputy minister who will presumably be the deputy minister of the environment. Under him will be a senior assistant deputy minister. Under him will be seven assistant deputy ministers. One of these seven assistant deputy ministers will have responsibility for what will henceforth be known as the fisheries division. He is not even the first among equals.

Under the departmental set-up the first assistant deputy will be the assistant deputy minister in charge of atmospheric environment, then the assistant deputy minister of fisheries, who will be chairman of the fisheries research board, then the assistant deputy minister of lands, forests and wildlife, the assistant deputy minister of water management, the assistant deputy minister of environmental protection, the assistant deputy minister of finance and administration, and the assistant deputy minister of policy planning and research. We do not think that is good enough. We believe that heretofore the Department of Fisheries and Forestry has been a full-time job. It required the attention of a full-time minister, deputy minister, assistant deputy ministers, the services of approximately 13,000 civil servants and a budget in excess of $200 million.

Surely the government would be the last to suggest that because of this change in organization and the establishment of this new department the importance of the present Department of Fisheries and Forestry will diminish. However, that is what is implied by the refusal of the government to accept our argument that in addition to continuing to have a minister designated as Minister the same argument can be applied to continuing to have a deputy minister of fisheries. It is a simple matter of accepting the same principle. In committee of the whole we accepted and embodied that principle by an amendment to the bill providing that the Minister of the Environment shall be the Minister of Fisheries. It is logical and consequential that the deputy minister of the environment shall be the deputy minister of fisheries.

Why the government refused to accept that suggestion is difficult, if not impossible to understand, especially in

light of the importance of this department and the fact that it has existed as a department of government since 1868. As a matter of fact, the department of marine and fisheries, as it was then known, was established on May 22, 1868. It has continued to exist as a vital and important part of government ever since.

• (3:20 p.m.)

It is interesting to reflect that if there had not been a department of marine and fisheries, confederation would probably not have taken place: New Brunswick and Nova Scotia would have been reluctant to join the new federation without grounds for believing that this important industry would be protected by an established department.

There have been a number of occasions on which the department has been changed as a result of organizational bills put forward by governments. Changes were made in the thirties, and during the fifties under the distinguished government of my right hon. friend from Prince Albert (Mr. Diefenbaker). Changes were made under the government of Mr. Lester Pearson. But none of these changes affected the basic structure of the department, which had as its primary responsibility jurisdiction over the fishing industry in Canada. This has always been implied in the name of the department.

Therefore we feel a sound argument can be put forward in favour of the government accepting the proposition that the deputy minister of the environment should be known as the deputy minister of fisheries, just as hon. members opposite accepted the argument that the Minister of the Environment should also be designated by statute as the Minister of Fisheries. For these reasons I intend to move the following amendment:

That all the words after "That" be deleted and the following substituted therefor:

Bill C-207 be not now read a third time but be referred back to committee of the whole with an instruction to amend clause 4 thereof by adding thereto, next after line 3 on page 2 thereof, the following:

"(2) Upon appointment, the deputy minister of the Environment shall be the deputy minister of fisheries."

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I rise to speak in support of the amendment moved by my hon. friend from St. John's East (Mr. McGrath) in the firm belief that the substance of the amendment should be accepted by those on the government side if they wish to be consistent in their thinking. They have already accepted an amendment that the Minister of the Environment shall also be the Minister of Fisheries, and it seems obvious to me that the deputy minister of the environment should also be the deputy minister of fisheries.

According to a memorandum which was submitted to the Standing Committee on Fisheries and Forestry, the fishing industry will now come under the authority of an assistant deputy minister—one of six assistant deputy ministers responsible to a senior assistant deputy minister and a deputy minister. My hon. friend from St. John's East gave a complete resumé of the way in which authority is divided. It is evident to those of us who have studied this memorandum that fisheries problems are way down the ladder. We are too low on the totem pole. We think the rating now contemplated is not good enough. I submit that the present rating of importance attached to the fishing industry by the government is not in keeping with the importance of the industry to Atlantic Canada and to the nation as a whole.

Some may wonder why we who represent constituencies in Atlantic Canada have taken such a strong position on this matter. The answer is, of course, that our Atlantic and, for that matter, our Pacific coastal areas contain some of the world's most prolific fishing grounds. A significant part of our national development has been associated with fisheries and as a result fisheries considerations have always been important in the formulation of Canada's international and domestic policies. Canada is a party to nine international fisheries conventions aimed at the study and management of various fisheries on both our coasts and in the Great Lakes. In addition, we have signed bilateral agreements with the United States and the U.S.S.R. concerning the fishing activities of those nations off our shores.

Unfortunately, the development of international law has failed to keep pace with the realities of the operations of modern fishing fleets. The prolific fishing grounds which first attracted European settlers to our shores have since proved a magnet for the modern fishing fleets of the world to a point at which some species have been fished beyond their maximum sustainable yield and others are, unfortunately, past the point of recovery. This is the situation on the extensive fishing grounds off our east coast.

Our experience in multination fisheries management has shown that the fewer nations involved in the management of a fishery, the better are the chances of good management. We also know that the fewer nations involved, the better are our chances of meeting the needs of our fishermen and of our fishing industry. It is for these reasons we have advocated that the coastal state should possess jurisdiction over the living resources of the continental shelf. We can support this claim because most of the commercially valuable species are associated with the continental shelf, and because the ownership of resources on and under the seabed of the continental shelf is accepted by international law as residing in the coastal state. So what I propose would be a logical extension of international law.

I realize that jurisdiction over these living resources would carry with it responsibility for management. Whenever these resources were under exploited or not exploited at all by the coastal state, other nations could be permitted to exploit them; but they would always be subject to the conservation regulations of the coastal state. A policy of this type would serve the interests of Canada's fishing industry, with one important exception. This exception involves the anadromous species—those which spend part of their life at sea and part in fresh water. In respect of this species, especially Atlantic and Pacific salmon, we must secure universal agreement on the proposition that salmon, for instance, belong to the nation in whose territory they spend their freshwater

stage. We must also secure agreement not to fish for salmon on the high seas.

I believe most of these problems can be worked out, especially between Canada and the United States with whom we share similar views in respect to the conservation and ownership of fisheries resources. But these matters call for greater attention from the Canadian government than is presently being given to them. They call for action by the Department of External Affairs, which to date has not shown the required interest in our thorny fishing problems.

In fact, I believe that the international aspect of the fishing industry will in the next few years become more complicated, more demanding of both government and industry, than has been the case in the past.

• (3:30 p.m.)

Canada, for example, puts great stock in the next Law of the Sea conference. I hope—and I know I express the hope of the entire fishing industry of Canada—that this conference will result in agreement that the coastal states should have jurisdiction over and responsibility for the management of the fisheries resources of the continental shelf and slope. I also hope that the conference will produce agreement to ban high seas fishing for salmon.

There will be a considerable time lag between the Law of the Sea conference meetings and the time its decisions will be accepted into international law, and during that time there will be bilateral and multilateral discussions and agreements which will be absolutely necessary in order to deal with the urgent problems of conservation and national interest.

Some of our stocks, as I mentioned previously, are already in trouble—stocks of groundfish such as haddock, herring, hake, yellowtail and redfish. To lose these species due to government delay in implementing conservation measures at the international level is frustrating and frightening to our fishermen. Even more frustrating is the known fact that our salmon stocks are wide open to foreign exploitation on the high seas.

I believe that we must have a thoughtful and coordinated approach to international fisheries matters. I believe this calls for planning, for expertise in fisheries and in carrying out negotiations. I believe these problems call for the full-time attention of an adequate number of highly trained people. At the moment we have a three-man international section in the fisheries department which I understand is fully occupied representing Canada in some of the nine international conventions to which we belong and in handling the day to day paper work relating to international agreements. We have a deputy minister and an assistant deputy minister in that department who devote part of their time to international commissions. The Department of External Affairs has a three-man team in its legal section assigned to fisheries matters, but not all their time is devoted to this subject. Obviously, this is not enough. The field being covered has grown so fast that the limited number of personnel cannot do justice to their work.

[Mr. Crouse.]

It is for these reasons that the hon. member for St. John's East has moved his amendment, and it is for these reasons that I support the amendment. If in the past, the staffs of the fisheries department and the Department of External Affairs have not been able to bring about agreement or to bring to fruition some of the conventions established by the 1958 Law of the Sea conference; they have not been able to establish the regulations drawn up in the 1964 Fishing Zones and Territorial Sea regulations passed by this House. We have been unable to get any action from the existing staffs of the Department of External Affairs and the fisheries department. Therefore, I ask the minister how we can expect to have any action taken at this time, having regard to the law of diminishing returns with which we are faced in this regard. We are seeing less attention given to the fishing industry at a time when its problems are mounting and it requires more, not less, attention.

Therefore, Mr. Speaker, I urge the minister to give careful consideration to the amendment that has been moved, for I believe that by accepting it this government will be consistent in its thinking on this bill.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, for the main remarks that I wish to make on third reading of this bill I prefer to wait until the present amendment has been dealt with. However, since the amendment is before us I should like to indicate our support for it. It may be that what we are requesting is just a bit of tokenism, but sometimes even tokenism can be significant.

The amendment before us asks, in slightly different words, for the same thing that we asked for in our amendment at committee of the whole stage last night. The government has agreed to designate the Minister of the Environment as Minister of Fisheries for Canada. It is understood that there is to be an assistant deputy minister of fisheries. We think there is a missing link and that things ought not to stay that way. We think there ought to be a deputy minister of fisheries and that it is appropriate also to designate the deputy minister of the environment as deputy minister of fisheries. Therefore, when the vote is called on this amendment we shall vote for the amendment.

Mr. Walter C. Carter (St. John's West): Mr. Speaker, I rise briefly to support the amendment put forward by my colleague for St. John's East (Mr. McGrath). I support it basically for the same reason as he. The fishing industry is vital to a large segment of our population. Indeed, in the province of Newfoundland alone, approximately 25 per cent of the population are directly affected by the fishing industry. Therefore I commend my colleague and support his endeavour to have a deputy minister named for the new department.

I realize that a concession has been made in that in the first instance it was not the government's intention to have a Minister of Fisheries in the new department. However, I am not quite satisfied thus far. Like my colleagues, I fear that by passing this bill the fishing industry of Canada, especially of eastern Canada, will lose a lot of its importance in the eyes of the government.

The fishing industry of Newfoundland, indeed of eastern Canada, is facing a very severe crisis. Yesterday we had the privilege of listening to an official from the Newfoundland Fish Trade Council who was appearing before the Standing Committee on Fisheries and presenting a report both alarming and frightening, especially to those of us who realize the importance of the fishing industry to this part of Canada. In fact, the fishing industry is in very serious danger of becoming depleted to the point where it will become uneconomic and it will not be a feasible proposition to engage in the industry.

With a full-time minister in the present department a number of blunders have been made that have reflected on the fishermen of eastern Canada; and I am wondering what will happen when the affairs of the fishing industry are administered just by an assistant deputy minister who at the same time will have other responsibilities. I fear that the importance of the industry will be pushed into the background to such an extent that it will be only a matter of time before the fishing industry will not have too much say in government.

It is for this reason that I support the amendment moved by my colleague. I repeat that the fishing industry is important to Canada, especially to eastern Canada, and we are concerned that a deputy minister of fisheries be appointed to look after the affairs of the industry.

Mr. Frank Howard (Skeena): Mr. Speaker, as the hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, we endorse the principal point of the amendment and indeed tried to do the same thing during committee stage last evening. I think it should be realized that to those members interested in fisheries matters, the question of giving some emphasis to fisheries is just as important as grain growing is to members who come from the Prairies, and their interests should be given equal consideration and legislative reflection.

• (3:40 p.m.)

We are going to move the Minister of Fisheries and Forestry (Mr. Davis) to the new position of Minister of the Environment. In considering that move I do not think any of us can escape flavouring our views with consideration of the actions of the person who now holds the office of Minister of Fisheries and Forestry. I for one, along with many fishermen, have very grave doubts about the true concerns of the minister. We have grave doubts about the ability of the minister because he has certain blind spots in his make-up which prevent him from properly dealing with fisheries problems as they arise from time to time. The experience we have gained since he has been minister lead us to doubt whether he will be able to represent the interests of fisheries and fishermen in the years to come, particularly when we realize that this obligation on the part of the minister is to become secondary to his obligations as Minister of the Environment.

The minister has left the impression of having a high degree of arrogance in his make-up. He tends to be dictatorial in his position, rather than democratic. He tends to give the impression of not caring too much about the effects of the policy he advocates on individual fishermen and communities. He has tried to substitute propaganda and press releases for action itself.

In the Prince Rupert *Daily News* of May 17 there is a reproduction of parts of a letter the minister sent to the diocesan Bishop of Caledonia, the Reverend Hambidge of Prince Rupert, who had written the minister expressing concern about the institution by the department of a program in Prince Rupert, and in a number of small communities around there, briefly referred to as the "Licence limitations program in the salmon fisheries". Reverend Bishop Hambidge in his letter condemned the minister's plans for overhauling the fishing industry as one which would ruin the small fisherman and benefit big business. We must remember that Bishop Hambidge was relating his remarks to his concern for people who live their lives in the fishing industry and provide for their families as a result of the industry. Part of the minister's response was as follows:

> Apparently you are ignorant of many of the facts involved in this case.

Then he stated, as quoted in the article:

> As it is, it is so full of inaccuracies and rumours that I am tempted to ignore it entirely. I cannot do this because it contains several untruths.

The minister then proceeded in a rather arrogant way to lecture the bishop on the content of his letter. All the bishop did was reflect the concern individual fishermen have about the effect of this proposed licensing limitation program. If this were an isolated incident, perhaps one could overlook it; one might think that in the spirit of the moment and out of frustration the bishop dashed off such a letter without consideration. This is not the only letter that has been sent to the minister.

On April 7 the Prince Rupert Fishermen's Co-operative Association wrote the minister a 2½-page letter pleading with him to engage in what they classified as a "sociological study to complement the economic studies made by Professor Sinclair some years ago into a licence limitation program." This letter complained about the licence limitation program in respect of both the manner which was used to attempt to put it into effect and the consequences of such a program.

Again the minister, under the date April 27 in his reply to the Prince Rupert Fishermen's Co-operative Association, by extracting quotations out of context and in distortion of the over-all point of view said that the Fishermen's Co-operative Association in its differences was simply trying to refer the minister to the concern of fishermen about the licence limitation program. The minister said in his letter that he believed in measures of forward-planning and that the association did not. That is arrogance to the nth degree. It is presumptuous on the part of the minister. It manifests the minister's lack of knowledge of the progress of the fisheries co-operative movement, particularly in the area of Prince Rupert. This is the sort of attitude that engineers will adopt in respect of a specific problem without regard to the co-operative effort these associations play in forward-planning for the future generation and mankind itself.

The assumption by the minister of the role of determining the function and philosophy of co-operative associations is an indication that he is not really interested in listening to common sense and reason, but only in imposing upon the fishing industry a particular idea and a particular program whether or not it works. This is a minister who believes in change by experimentation rather than by experience He went on to take extracts from the co-operative's letter and distort the meaning. In this way he manifests his arrogance which I suggest is inherent in his letter to the fishermen.

The minister went on to state, in his letter of the 27th, that the association had ignored any reference to the heavy subsidies which individual fishermen received by way of unemployment insurance. Let me point out a few facts about unemployment insurance for fishermen. Unemployment insurance came into effect for fishermen as a Liberal party election gambit a few years ago when Jimmy Sinclair, father of the Prime Minister's wife, was Minister of Fisheries. That minister was attempting to meet the desires of fishermen on the west coast in order to be elected. This was not done with any real purpose of providing unemployment insurance benefits for fishermen that was meaningful or worth-while.

In addition to that, the present Minister of Fisheries is a member of a cabinet which has endorsed this program. The unemployment insurance bill currently before the House contains a provision similar to the earlier provision: it is to be applied to fishermen and continued. There has been no attempt on the part of the government to work out a program which might be successful, reasonable or helpful so far as fishermen are concerned in terms of group insurance, price stability or anything of that sort. The Minister of Fisheries has referred to a sort of inherent fisheries subsidy. Of course, this cannot properly be referred to as such.

• (3:50 p.m.)

There is no need to read further from this correspondence, but the whole tenure of the minister's letter, I submit, casts grave doubt in the minds of many fishermen that he is really concerned about human beings in this program of licence limitation. I point out that the idea and concept of a licence limitation program as conceived by the minister—this is where a great deal of objection and confusion comes in—was never introduced by way of formal regulation by Order in Council; it was instituted and announced to the fishermen a few years ago by a press release of the minister. Then various alterations, refinements and adjustments to the original plan were announced simply by press releases and statements of the minister. Every time the fishermen on the west coast who are engaged in the salmon industry understood what the minister was proposing in terms of a licence limitation program, and began to appreciate what he was trying to get at in order to see whether or not they wanted to fit within it at all, he changed it by another press release.

It is that sort of arrogant, dictatorial attitude which has contributed to the confusion and the problems of the fishermen as well as the concern they have in respect of their livelihood being tampered and experimented with to suit some concept of the minister. Within the Fisheries Act there is a section—I presume it is the section under which the minister operates, section 7—which provides that the minister in his absolute discretion can issue licences for fisheries for any period not exceeding nine years. I have quickly referred to the provision without reading the whole section. The hon. member for Comox-Alberni (Mr. Barnett) has a bill on the Order Paper at the moment to repeal that section and to indicate that the issuance of licences should be done in the normal way by Order in Council, by regulation, so that people in the fishing industry would have an opportunity to get to the government and see that things are done in an orderly fashion, and so that the minister's absolute discretion to issue licences as he sees fit is abolished.

Last session when the Fisheries Act was being amended an attempt was made to remove that particular section. The minister objected to this and the government objected to removing this power of the minister to deal with the lives of the fishermen as he decided proper on the basis of some thought in the minister's mind when he arose in the morning, based on whether he had a good or a bad preceding evening. On a number of occasions we have asked that the licence program idea of the minister be referred to the standing committee for examination, so that fishermen could come to the committee and express their views about. The minister, in response to a question in the House, was guilty of a barefaced falsehood when he said, "Yes, Mr. Speaker, I will gladly refer that to the committee". Then he sat down and did nothing more about it, in an attempt to cover up and—

Mr. Deputy Speaker: Order, please. The hon. member for Halton-Wentworth (Mr. Morison) is rising on a point of order.

Mr. Morison: Mr. Speaker, it is all very well to make personal attacks within parliamentary language, but I submit the hon. member has taken very great latitude in saying that another member has been guilty of a barefaced fabrication of the facts. I respectfully submit that those remarks should be withdrawn.

Mr. Deputy Speaker: Does the hon. member wish to speak to the point of order? If not, the Chair is prepared to rule on it.

Mr. Howard (Skeena): I have no intention of speaking to the point of order. I would not dignify it as such.

Mr. Deputy Speaker: The Chair would only say, in respect of the point of order, that the hon. member for Skeena (Mr. Howard) did not, as I understood him, impute any motives to the minister. He did not suggest that the minister had said anything in a deliberate manner. While the words may have been very strong, he did not indicate any deliberateness to convey wrong information to hon. members or to the public.

Mr. Howard (Skeena): Mr. Speaker, if it will please the hon. member for Halton-Wentworth (Mr. Morison), I will

gladly include the words "deliberate and conscious", because I think that is what it was. In any event, the minister told us he would gladly refer this subject matter to the Committee on Fisheries and Forestry for examination so that the fishermen could come and present their ideas, complaints and objections about the plan. He never carried forward that commitment or did anything about it.

We have on the coast of British Columbia entire communities, many of them small, many of them comprising solely native Indian people, who have a difficult enough time as it is. The people in these communities can see their entire community being wiped out and the sole base of their economy disappearing if these programs—and this particular program—is put into effect. I submit that that sort of activity, coupled with the fact that there is a continuation of the practice of permitting fish-packing companies to engage in and control to a certain extent the fishing industry, militates against the individual fisherman and prevents his being able to prosecute an industry fully and engage in it for purposes of his income and personal satisfaction.

There is no point in reciting the names of many of these communities. I am sure the minister knows which communities they are because he has received communications about them. I believe it behooves us to have serious doubts, and to reflect them here, about establishing a czar of the environment who so far has not done anything in a real sense to attempt to clean up the environment and who has had a pretty dismal record in terms of doing anything worth while and helpful for the fishermen of our nation.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my intervention will be very short. I wish to deal primarily with what I suppose really involves the title and power of the minister and deputy minister. It seems to me the purport of the amendment is reasonable. There are many other departments in which there are, shall I say, not joint but separate responsibilities. The Department of National Revenue, for instance, has a deputy minister for customs and excise and a deputy minister for income tax. In the Department of National Health and Welfare there is a deputy minister for health and a deputy minister for welfare.

In this instance there is more than adequate precedent and more than adequate reason, if it is felt there should be a deputy minister in charge of the environment—and that has been the purpose of the exercise in setting up this new ministry—that the Department of Fisheries and Forestry and the deputy minister of fisheries should not be downgraded. It is not a question of its costing very much, although the salaries of these eminent people are quite considerable. It is only a transition from the proposal to have an assistant deputy minister to the proposal to have a deputy minister. I believe the request is eminently reasonable.

• (4:00 p.m.)

Why should the assistant deputy minister of fisheries, charged with a particular responsibility, have to report through the deputy minister of the environment? I will not criticize the personality of the deputy minister of the environment who was formerly a construction engineer, an administrator, but whose bent is toward the engineering field; but I presume he was hired for the particular purpose, after his successful career in other places, of dealing with the environment. Now he would be told that he will also have to deal with fisheries. If there is a wrong way to do it, you can trust the so-called slick operators of this government to find it. It seems to me that they are persisting in their error in a stiff-necked manner.

I support the amendment now before the House and ask all government members who want to take a reasonable approach to this matter to also support it.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I do not think I have much to add to the remarks I made yesterday, but I would like to say that the government recognizes the importance to Canada of the fishing industry. To use the words of the Minister of Fisheries and Forestry (Mr. Davis) yesterday, it is our feeling that actions speak louder than words. Certainly, the actions taken in the fisheries field under the aegis of the minister-designate of the environment and, incidentally, of the deputy minister-designate of the environment are an impressive recognition not only of the importance but of the need for action in the fisheries field.

There have been representations and arguments put forward that the effect of this bill will be to downgrade in one way or another the fisheries in Canada. I cannot support this thesis at all. I think that grading is a matter of approach and not, as the hon. member for Winnipeg North Centre (Mr. Knowles) described it, a further example of tokenism. He described the proposed amendment as pure and simple tokenism and thought that perhaps it would be good. I think that fisheries in Canada and its problems are too serious to be dealt with by tokenism.

A case was made some time ago for an amendment to the act to provide for a man in the House of Commons who could respond as Minister of Fisheries to questions relating to fisheries. I think that in terms of communication within the House, in order to enable the question and answer period to be conducted more satisfactorily, a case can be made for appointing someone to be officially designated as Minister of Fisheries, and this amendment has been agreed to. However, when one wishes to extend this down to the deputy minister level, it might give rise to objection.

It is customary—I include in this the Department of National Revenue—to have deputy ministers presiding over a department of the same name. We will not have, as such, a Department of Fisheries and a man described as deputy minister of fisheries would be the chief executive officer of a non-existent department. We have a deputy minister of national revenue, customs and excise, and a deputy minister of national revenue, taxation. But there is no deputy minister of taxation and there is no deputy minister of customs and excise. I suggest that in terms other than purely nonsensical ones, designating a deputy minister of fisheries can only indicate that the

government is trying to fob off fisheries problems with a bow and a meaningless token. The significance of fisheries to Canada is greater than that.

So, both on the grounds of justice to the fishing industry and in terms of the logic of government organization, I am afraid we will have to go along with the agreement that was reached some time ago by the House leaders, and vote against the amendment.

Mr. Crouse: Would the President of the Treasury Board (Mr. Drury) permit a question? Would he advise the House what will be the status of the present Standing Committee on Fisheries and Forestry? As the minister is aware, we have a committee which goes by the name of the Standing Committee on Fisheries and Forestry and to which the estimates of the Department of Fisheries and Forestry, which now becomes part of the department of the environment, are sent for scrutiny. This has been the case certainly since I came here in 1957. To what committee will the estimates of the department of the environment be now referred, and what will be that committee's name?

• (4:10 p.m.)

Mr. Drury: I regret to say that I cannot answer that question. I do know that standing committees of the House are named and organized on a functional rather than on a departmental-name basis. For example, there is no standing committee on the Treasury Board, yet nevertheless we do not have much trouble in finding a committee, which is prepared to industriously scrutinize the estimates of the Treasury Board.

Mr. Bell: You aren't kidding!

Mr. Drury: How the introduction of a bill creating a new department of government will affect the naming of standing committees is more a question for those who are charged with the organization of the House than for the executive branch.

Mr. Crouse: Perhaps I could redirect my question to the Minister of Fisheries and Forestry (Mr. Davis). This is an important point since the duties of committees are to examine and study the estimates of various departments. We understand that in the House of Commons committees are ordered to sit at certain times and estimates are referred to them to be studied and passed, unless the committee system is merely a mockery of the work to be carried out by this House and it is just a ruse and something to be sloughed off by the government to make members of the house of Commons believe that they are important when they are literally like a dog chasing his tail around a tree.

I think this question is important because a very basic change is being made in procedure. I maintain that there is a downgrading of the importance of the fisheries industry, and I hope that the Minister of Fisheries and Forestry, who has had an opportunity to consult the President of the Treasury Board, will indicate to the House what the standing of the fisheries and forestry committee will be in the future and to what committee the estimates of the department will be referred.

Mr. Davis: My understanding is that the standing committee will continue. However, it is up to the House to decide whether a standing committee is to be replaced by another one. This is not a matter on which I would like to comment at present. As things now stand, the present Standing Committee on Fisheries and Forestry will continue. I understand that the Special Committee on Environmental Pollution will terminate with this session, so that there will not be a committee on environment control at the beginning of the next session. However, this again is a matter for the House to determine, presumably through the government House leader in consultation with his opposite numbers around the chamber.

Mr. Lambert (Edmonton West): Mr. Speaker, I would move that the intervention by the Minister of Fisheries and Forestry (Mr. Davis), when he was being asked a question, not break the sequence of the speech of the President of the Treasury Board (Mr. Drury). The Department of National Revenue has a taxation division and a customs and excise division, each headed by a deputy minister. Following that example one could press the argument, with some justice, that there should be in this new department a deputy minister of the fisheries division. The example is right there in the Department of National Revenue.

Mr. Drury: Mr. Speaker, obviously the argument could be pressed, but it is really a measure of what kind of organization is most likely to efficaciously accomplish the general purpose. It is the view of the executive branch that the over-all purpose of the department of the environment, which includes adequately dealing with the problems of fisheries and forestry, can be better achieved by the organization proposed than by the rather more curious and less conventional one suggested on the floor today.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order, or under Standing Order 37 (1), to make a brief comment if I may. In the concluding portion of his remarks, the President of the Treasury Board (Mr. Drury) said the government would have to stand by the agreement reached by the House leaders. I think it should be made clear that the House leaders, and I happen to be one of them, agreed that the bill would be amended to provide that the Minister of the Environment would also be the Minister of Fisheries. There was no agreement on the part of the government to have a deputy minister of fisheries, but it was understood at meetings of the House leaders that from this side of the House we would still press our case on the floor of the House. I would not want the words of the President of the Treasury Board to suggest that somehow we had broken the agreement.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the amendment to the main motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the amendment (Mr. McGrath) which was negatived on the following division:

• (4:20 p.m.)

YEAS

Messrs:

Alexander
Asselin
Baldwin
Beaudoin
Bell
Benjamin
Bigg
Brewin
Burton
Cadieu
Carter
Code
Comeau
Crouse
Danforth
Diefenbaker
Dionne
Downey
Fairweather
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Gundlock
Hales
Harding
Harkness
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Mather
Mazankowski
Monteith
Moore
Noble
Nystrom
Orlikow
Paproski
Ricard
Ritchie
Rodrigue
Ryan
Rynard
Simpson
Skoberg
Southam
Stewart (Marquette)
Thomas (Moncton)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams
Yewchuk—73.

NAYS

Messrs:

Allmand
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Boulanger
Breau
Buchanan
Caccia
Chappell
Chrétien
Corbin
Corriveau
Côté (Longueuil)
Crossman
Cullen
Cyr
Davis
Deachman
De Bané
Drury
Dubé
Dupras
Duquet
Émard
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Greene
Guay (St. Boniface)
Guilbault
Harries
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Noël
Orange
Osler
Otto
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Cochrane)
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Watson
Whelan
Whicher
Whiting
Yanakis—108.

• (4:40 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, before the motion for third reading of this bill is put and a final decision is taken, there are a few additional words I should like to say and there is another amendment which I should like to move.

Some hon. Members: Oh!

Mr. Knowles (Winnipeg North Centre): *Hansard* has developed an interesting mechanism. When there is laughter, *Hansard* says "Oh, oh!" When there is applause, *Hansard* says "Hear, hear!" I think *Hansard* should develop a means of indicating a groan, such as we have just heard.

This bill was given first reading in the House of Commons on December 9, 1970, so it has been in the parliamentary mill for quite a while. By the time it gets through the other place almost six months will have gone by. The government does a good deal of complaining

about that. Perhaps it is a considerable period of time for one piece of legislation to be before Parliament, but I am sure it will be said by those who write about this institution that this is a bill which has demonstrated the value of the parliamentary process.

Whether we entirely agree with the bill in its present form or not, the fact is it is considerably better than it was when it was introduced. This is true in particular with respect to the provisions for the appointment by the government of ministers and ministries of state. This is no time to use such words as "victory" or "defeat." The fact is that as a result of debate and consideration, as a result of collective bargaining among the representatives of the parties, that portion of the bill was changed so that the Prime Minister (Mr. Trudeau) will not possess the unquestioned right to name ministers of state and give them departments without first obtaining parliamentary approval. This is an improvement which we welcome. There are two or three other improvements as well, so all told the bill is better than it was when it was first introduced.

However, there is one portion of the bill—and like so many of the pieces of legislation which this government brings in, it has both its good side and its bad side—concerning which I should like to say a few additional words. I refer, as hon. members would expect, to the portion of the bill which deals with changes in the Public Service Superannuation Act.

May I say, as I have said on previous occasions, that we welcome the provision for early retirement of public servants on a voluntary basis. We believe that in some cases the provision made for the pensions to be drawn by public servants who retire early is good. In other cases the provision is not very generous. At least, though, we are getting started on the practice of public servants retiring at an early age with the right to start drawing pensions from the time of their retirement. To this extent we welcome the provision which has been made.

However, the bill also makes it possible for public servants to be retired compulsorily and as a consequence to be obliged to take a reduced pension. May I qualify what I have said to this extent: it is not the bill before us which makes it possible for the government to retire public servants compulsorily; the government already has that power. During times of squeeze the government has been known to dismiss public servants who have been in its employ for many years. What this bill does is to say that persons over 50 years of age who in future are retired compulsorily may receive pensions, and this makes it easier for the government to retire them. But their pensions are subject to a severe reduction.

In the course of the debate I have drawn attention to the extreme case, a case in which it would be posible for a person to find the pension he would otherwise have enjoyed reduced by 50 per cent. This is the case of a person who is 50 years of age who has put in 20 years of service. Normally he would receive a pension equal to 40 per cent of the average of his salary during his six best years. But under the provisions of this bill, that 40 per cent pension would be reduced by 50 per cent. In other words, it would be a 20 per cent pension, only 20 per cent of his six year average salary. I submit that to impose such a reduction on a public servant who is retired compulsorily because the government is carrying out some reorganization, or squeezing out certain employees, is quite unfair. There are those who think it is unfair for such people to be required to accept a reduction in their pensions even if they retire voluntarily, and I agree. But at least those people are free to make a decision.

In the case of those who do not enjoy the freedom to make such a decision, in the case of those who are fired for reasons of public policy, it is altogether unfair that there should be any reduction in the amount of the pension they would otherwise be entitled to receive. Let it be clear that we are not now talking about persons who are dismissed because of misconduct. There are already provisions in the legislation to deal with that situation. A person retired for misconduct receives only the return of his pension contributions—no pension of any sort. But there are times in its history when the government has resorted to the dismissing of public servants in rather large numbers, and this may well happen again. It is true that it is better that they get a reduced pension than no pension at all, but we think that to force a reduction in the pension is quite unfair.

This brings me immediately to the amendment I wish to move. It is not necessary to spin out this debate since we have argued this point on second reading and two or three times in committee of the whole. I move my amendment at this time because I believe that this House would like to do the fair thing and to have the bill altered so that it will not provide that the pensions of those who are compulsorily retired are to be severely reduced. I point out that the matter was dealt with in committee of the whole. In particular, on March 30, 1971, as reported at page 4739 of *Hansard* I moved an amendment to clause 27 of the bill; it was debated at some length but when the vote was called the amendment was defeated.

• (4:50 p.m.)

I have drafted my amendment for today in words that are not exactly those which would be put into the bill itself. Rather, it is in general terms that would achieve the same purpose, once the bill is referred back to committee. I hope hon. members have done some thinking about this since March 30 and that although they voted against the request for fair play and justice on that date, they will vote for this amendment today. Therefore, seconded by the hon. member for Vancouver East (Mr. Winch), I move:

That Bill C-207 be not now read a third time, but that it be referred back to the committee of the whole House for the purpose of reconsidering the provisions of subclause 1 of clause 27 in so far as they relate to employees who do not retire voluntarily from the public service.

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

Some hon. Members: Question.

Mr. Speaker: Hon. members have heard the amendment. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

The House divided on the amendment (Mr. Knowles, Winnipeg North Centre) which was negatived on the following division:

YEAS

Messrs:

Alexander
Asselin
Baldwin
Beaudoin
Bell
Benjamin
Bigg
Brewin
Burton
Cadieu
Code
Comeau
Crouse
Diefenbaker
Downey
Fairweather
Fortin
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Horner
Howard (Skeena)
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
Latulippe
Lundrigan
MacInnis (Cape Breton-East Richmond)
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McIntosh
McKinley
Mather
Mazankowski
Monteith
Moore
Noble
Orlikow
Paproski
Ricard
Ritchie
Rodrigue
Rynard
Simpson
Skoberg
Southam
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Winch
Woolliams
Yewchuk—(67).

NAYS

Messrs:

Allmand
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Boulanger
Breau
Buchanan
Caccia
Chappell
Corbin
Corriveau
Côté (Longueuil)
Crossman
Cullen
Cyr
Davis
Deachman
De Bané

Division

Messrs:

Drury
Dubé
Dupras
Duquet
Émard
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Goode
Goyer
Gray
Greene
Guay (St. Boniface)
Guilbault
Hogarth
Hopkins
Howard (Okanagan Boundary)
Jamieson
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
MacGuigan
Mackasey
McBride
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Morison
Munro
Noël
Orange
Osler
Otto
Penner
Pepin
Perrault
Portelance
Pringle
Prud'homme
Reid
Richardson
Roberts
Robinson
Rochon
Rock
Roy (Timmins)
Roy (Laval)
Sharp
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Watson
Whelan
Whicher
Whiting
Yanakis—(105).

• (5:10 p.m.)

Mr. Speaker: I declare the amendment lost.

Mr. A. D. Hales (Wellington): Mr. Speaker, first of all I should like to apologize to the House for taking a few moments to introduce an amendment to the bill now before us. The subject of this amendment is of importance to every member of the House no matter in which province his riding might be located. It is of particular interest to me as mover of the amendment.

The amendment is based on the fact that the minister of the environment is now responsible for the administration of the Canada Water Act. The Canada Water Act has taken the place of the Canada Conservation Assistance Act. Under the Canada Conservation Assistance Act, when any municipality or area in this country wished to build a dam or set up a conservation program a federal formula was laid down whereby the federal government would pay 37½ per cent, the provincial government 37½ per cent and the municipality 25 per cent.

When the Canada Conservation Assistance Act was repealed and replaced by the Canada Water Act, this

formula disappeared. Now no arrangements are made for the federal government to contribute to any such project wherever it might be in Canada. As the minister stated on previous occasions, the cost will be negotiated. This means the federal government may or may not contribute toward the cost of a project. There is no set formula. This creates a very great hardship on the municipalities in respect of their conservation programs, because they do not know whether or not they will receive federal assistance.

I do not wish to take any more time of the House, so with that very brief introduction I shall put forward the following amendment. I have pleasure in moving this amendment, seconded by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe):

That all the words after "That" be deleted and the following substituted therefor:

Bill C-207 be not now read a third time but be referred back to the committee of the whole with an instruction to consider the advisability of amending the bill by inserting therein, next after clause 5 on page 2 thereof, the following:

"6. (1) With the approval of the Governor in Council the minister may enter into an agreement with any province providing for contributions by Canada in respect of the cost of projects for the construction of dams and other works for the conservation and control of sea coast and inland water resources and, in accordance with such agreement, pay contributions to the province out of money to be appropriated by Parliament for the purpose.

(2) The contributions paid by Canada in respect of an agreement with a province shall not exceed the amount paid by the province in respect of the project referred to in the agreement, and in no case shall the contributions paid by Canada exceed thirty-seven and one-half per cent of the cost of the project, as determined by the Governor in Council.

(3) No contributions shall be paid in respect of an agreement with a province unless all other agreements under this section with that province are being carried out in a manner acceptable to the minister.

(4) Where revenue-producing works are part of a project, the revenues that may be derived from such works shall be taken into consideration in determining the amount of the contribution by Canada.

(5) Contributions under this section shall be limited to projects that in the opinion of the Governor in Council are of a major character."

and, where the committee reports in favour of so amending the bill, then be it a further instruction to the committee to recommend that an humble address, in form prepared by the committee, be presented to His Excellency praying that he be pleased to recommend by message to this House an appropriation out of the Consolidated Revenue Fund to the purpose of the amendment so proposed.

Mr. Speaker: Hon. members have heard the amendment proposed by the hon. member for Wellington (Mr. Hales), seconded by the hon. member for Wellington-Grey-Dufferin-Waterloo (Mr. Howe). I must advise the House I have most serious reservations about this amendment. To my mind it clearly affects the financial initiative of the Crown. I am quite satisfied to listen to argument in this respect and will make a formal ruling after having heard argument, but I think it would take quite a bit of imagination to convince the Chair that the proposed amendment does not affect Her Majesty's prerogative in relation to financial matters.

[Mr. Hales.]

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I should like to say a few words in support of my colleague who proposed this amendment. For many years in this House I have been talking about conservation measures because in my riding there are some very important dams—

Mr. Speaker: Order, please. If the hon. member wishes to make a contribution now, it should be related to the procedural aspect of the proposed amendment. There is nothing to prevent the hon. member, if he wishes to make the speech which he now proposes to make, making it after a ruling has been handed down by the Chair. The hon. member has not yet spoken at the third reading stage of the bill and he has the right to take the floor to make whatever representations he wishes in relation to the point made by the hon. member for Wellington even if the amendment is ruled out of order. However, I think any contribution at this time should be related strictly to the procedural aspect of the matter.

• (5:20 p.m.)

Mr. Hales: With regard to your comments, Mr. Speaker, I will leave the ruling entirely in your hands. I wish to say simply that the formula that was used in the previous act was within the jurisdiction of this House.

Mr. Speaker: I do not think hon. members would want me to go into the matter in considerable detail. I suggest to the hon. member who proposed this amendment, and to the House, that the amendment would clearly impose a call on the treasury. I do not think it is sufficient to say that whatever moneys are required to give effect to the proposal envisaged by this amendment would be voted by Parliament.

I believe that it is part of subclause 1 of the proposed amendment that the hon. member suggests that in accordance with the agreement, contributions to the province will be paid out of moneys appropriated by Parliament for the purpose. It is not a sufficient answer to the procedural objection to say that any money required to give effect to the amendment would be voted in due course by Parliament. I must rule that the proposed amendment is not, therefore, acceptable from a procedural standpoint.

Is the House ready for the question?

Some hon. Members: Question.

Mr. Speaker: Those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

Some hon. Members: On division.

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

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DETERMINATION OF PAYMENT FOR WHEAT—EXTENSION OF APPLICATION TO FLAXSEED, RYE AND RAPESEED

The House resumed, from Thursday, May 20, consideration of the motion of Mr. Lang that Bill C-238, to amend the Canadian Wheat Board Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Robert Simpson (Churchill): Mr. Speaker, when speaking on this measure on May 20 I indicated that there were one or two points I wanted to make regarding some strong objections to Bill C-238. First of all, I pointed out that I was appalled at the impropriety of the government bringing in this type of legislation. I pointed out, as did many other speakers on this side of the House, that the producers of rapeseed in western Canada in particular had been quite satisfied over the years with the opportunity they had had to produce rapeseed and to avail themselves of the cash profit. Many members on our side of the House pointed this out very clearly to the government.

There was one other point that I wanted to bring before the House in relation to the exports of grain through the port of Churchill. As I mentioned briefly on May 20, for many years people interested in exporting grain through the port of Churchill have been extremely concerned about the small amount of grain which they have been able to export through this very important port. On many occasions when we have requested the Wheat Board to announce larger shipments of grain available in Churchill, we have found that the Wheat Board in their wisdom have decided, in some cases arbitrarily I believe, that 23 million to 24 million bushels of wheat was the full amount they could allow through the port of Churchill in any given season.

They have come up with many reasons for this. However, from many investigations it has appeared to me that these decisions were reached as a result of a great deal of pressure being put upon the Wheat Board by representatives of other Canadian ports. We have seen many statements over the years by port authorities, in Montreal in particular, who have openly stated that they would strongly oppose further expenditures in relation to added facilities at the port of Churchill. Anyone who has been interested in shipping through the port of Churchill knows full well that many of the facilities that have been requested over the years are lacking at Churchill and are badly needed.

Now the government, under Bill C-238, proposes that the Wheat Board assume responsibility for the marketing of rye, flaxseed and rapeseed. I would like to bring to the attention of the government the fact that at present at the port of Churchill there are no facilities whatsoever for the handling of grains such as rapeseed, and I think the government has a responsibility to advise the House whether or not there were full consultations between it and the Wheat Board before this legislation was drawn up.

It is easy for anyone to see what the effect of the passage of this bill will be on the port of Churchilll. Up to the present the Wheat Board has not been in a position to announce just how much wheat it will have available for export from Churchill. I was told by the board that this is a result of the policy adopted in Great Britain, which is a protective policy so far as Canadian wheat is concerned. The board is therefore reluctant to give us any information on how much wheat will be available for export.

• (5:30 p.m.)

I understand that recently an announcement was made that some four million bushels of barley would be available for export from Churchill. We would like to know how much wheat we can expect to send through that port this year. Anyone who has had experience in exporting wheat through the port of Churchill realizes the tremendous savings which can accrue to the purchasers and the advantages which can accrue to the permit holders who are shipping wheat through any port in Canada. Regardless of where wheat is exported from, the amount shipped through Churchill shows an additional profit which is divided amongst all permit holders in Canada.

The government should find it easy to understand the concern felt by people who are interested in the port of Churchill for a measure which would give the Wheat Board jurisdiction over the marketing and exporting of rye, flaxseed and rapeseed. No facilities are available for the handling of rapeseed at the port of Churchill. One must conclude, therefore, that this measure will not only be detrimental to the port of Churchill but will cause further concern because it is not known how much, if any, wheat will be going through that port.

So many members on this side of the House have taken exception to Bill C-238 that I am sure the government must now realize it is not an appropriate bill to bring before the House at this time. We would like to know, for instance, if there was full discussion with the National Harbours Board and the Canadian Wheat Board regarding the lack of facilities at one of Canada's major ports. We would also like to know whether all the other ports in Canada which handle grain are also in a position to handle flaxseed, rapeseed and rye.

There have been recent difficulties with shipment through the Great Lakes. Every time difficulties arise at Vancouver, at the St. Lawrence ports or at the Lakehead, people interested in the port of Churchill are concerned to know why the facilities of Churchill are not used. When this question is brought before the House or the Wheat Board, the answer is that it is because of the relatively short shipping season and that only 23 million or 24 million bushels can be handled. This is not a valid reason because it must be realized that the shipping season could be extended.

One of the main reasons for shipping more or less coming to an end at Churchill by October 25 may be the marine insurance rates. Recently the Minister of Trans-

port (Mr. Jamieson) said that senior executives in the insurance field had visited Canada to look at the facilities of the St. Lawrence, and they would be invited back later this summer to visit our Arctic waters. It was hoped that they would visit Churchill and inspect the facilities there: this might convince them that the shipping season could be safely extended. Later we were told, however, that there is no assurance that they can come back this summer and it may be another year before we see them in Churchill. The record shows that over the last 100 years the safe shipping season at the port of Churchill is some months longer than in other places.

I repeat, Mr. Speaker, that I am greatly disturbed that this legislation is brought before us when apparently no plans have been made to ensure that all Canadian ports have the proper facilities to handle these new grains which the Wheat Board will be obliged to handle. I therefore oppose the bill on these grounds. Before the legislation is passed I hope the minister will be in a position to advise the House that there has been full consultation among members of the government, officials of the National Harbours Board and the Canadian Wheat Board on the matters which I have raised.

Mr. F. J. Bigg (Pembina): Mr. Speaker, Bill C-238 represents one step toward the reduction of the number of small farmers in Canada. I can only interpret it as having the goal of the complete socialism of agriculture in Canada, and as a Conservative and an advocate of free enterprise I am unalterably opposed to anything which moves in this direction.

There is a very good reason for improving Canada's image as a producer of the finest wheat in the world, stringently graded as to content and value. We should be able to sell more than we have in the past few years. The ideal of $2 wheat, a solemn Liberal promise, has never materialized because of lack of attention to agriculture. I shall elaborate on this later. Two years ago the going price for wheat in western Canada was $1.70 a bushel; last year it was $1.50 and this year it is $1.46½. Some people might say that it is not a great reduction, but 3½ cents a bushel means a lot to the farmers of Canada. Three-and-a-half cents a bushel less in the pockets of the farmers of Canada represents a lot of money when you are dealing with half a billion bushels. That represents a great loss to the western farmer, particularly in view of the inflation we are suffering. The price of farm machinery is still rocketing. Sales are dwindling. Even if the farmer were to obtain $1.70, it would be difficult for him, with tight quotas, to meet current expenses let alone repay loans on farm stored grain, pay taxes, pay hired help and gasoline and meet all the expenses which are entailed in the running of a modern farm.

• (5:40 p.m.)

I claim—not without cause, since no less a person than the Minister of Agriculture (Mr. Olson) has suggested it—that it is the avowed policy of this government to get the small farmer off the farm.

[Mr. Simpson.]

An hon. Member: Rubbish.

Mr. Bigg: The government is following that policy. It is true that piecemeal legislation has been brought in to help the small farmer. The government has helped him in many cases to go deeper into debt. It has increased the ceiling on his loans. The ceiling is now up to $75,000 for a so-called small farmer.

What is the good of lending a small or even medium-sized farmer $75,000 when he has little or no hope of paying it back? This is a very poorly thought-out idea of kindness. Why put a man into debt that way? If he cannot repay it he will be dispossessed by the government or his operation will be taken over by the people to whom he owes the money.

Just last week I attended the sort of hearing that I never expected to attend. It was an eviction hearing. It was not brought by the banks, the trust companies, the loan companies or any loan sharks. These organizations did not bring an action because the farmer had bought too much machinery. The action was brought by the government agency. It was foreclosing. That was an unusual action and I attended the hearing. It involved a small farmer who owned a half section of land. He had been asked by the Farm Credit Corporation to increase the size of his farm in order to obtain a loan. He asked his blood-brother to deed over to him, for loan purposes, his quarter section of land. In other words, his brother backed his loan and the farmer needed the extra land to make the farm viable. The corporation then lent him $8,000. That happened ten years ago, and they are surprised that he has not been able to pay back the money. He could not do so because he had lost his markets and could not deliver grain. The corporation foreclosed.

Many people say that if he had wanted to work he could have kept his farm. Well, Mr. Speaker, his wife is a janitor at the local school. She has put every cent of her wages, as well as all the money earned from farm produce, into the farm in an attempt to keep the family unit together. The man and wife have nine children. I am only bringing these facts forward to show people that any policy designed to force small farmers off the farm can do no good to this country. Here was a farmer with a wife and nine children. His wife was willing to be a janitor at the local school where their children were being educated. She brought home every cent of her pay cheque to keep the farm afloat. Five years ago they were burned out. The farmer went to the bank and borrowed $6,000. He and his wife paid off the debt on the house; the $6,000 was put into the house. It was worth $12,000. He built it himself. The family hammered in all the nails. It was a project for the whole family. The finishing of the house was paid for partly by the wife's wages.

Today this family of 11 people is being put off the land for the simple reason that they have not repaid their farm loan. They paid off the bank. I wonder, as may any farmer within hearing distance of my voice or any farmer who may read my remarks in *Hansard*, how in

the world any farmer could possibly pay off a debt of $6,000 let alone keep 11 people on the family farm. Of course, he could not do it unless he and the other ten people on the farm were working very hard. Yet the best answer we can come up with now is to take these people off the farm and put them in the city. The only thing that family knows, apart from how to be good Canadians, is how to run a farm. That is what they have done.

Now, because they have got into difficulties with an agency of the federal government, they are to go on relief. Not one of those 11 people had ever been on relief. Now they will all go on welfare. Imagine that—11 people will go on welfare! Does that represent any well thought-out policy by any well-thinking government, let alone one that calls itself Liberal, or left wing? This sort of thing is occurring all the time.

How do these remarks relate to this bill? They relate to it in this way: The government are not the best people to run farms or to tell farmers how to run farms. The government's job is to find us the markets for our grain, markets for our livestock and to create the climate in which small farmers can operate on their own. No system of government would have made those 11 people co-operate among themselves more than they have done. You could not keep 11 people like that living in fresh, rural surroundings, happy and healthy and working together, by legislating. The government has adopted a heartless attitude to people like these whose only crime is that they paid off the bank ahead of paying off the federal government.

I asked an official appearing before the Standing Committee on Agriculture what would have happened if these people had paid the government off instead of the bank. The answer was, of course, that the bank would have foreclosed. The farm is worth $45,000 or $50,000, and the bank would have acquired it for $6,000. It seems that if the government agency does not receive its money, it will do exactly as the bank would have done. Why is that, Mr. Speaker? You must believe me when I say that the agency never sent an agent out to find out why this family of 11 people working together could not pay the debt. They merely looked at the papers without investingating the matter and said, "We want our money or you must get out." That is the kind of heartless interference with the workings of agriculture in this country that I find hard to understand. I am against it.

This bill pertains to the responsibilities of the Wheat Board. I hasten to say that the Wheat Board over the years has operated well. Perhaps only a government agency could handle, in international trade, a product so important to western agriculture as wheat. As I say, the board has operated reasonably well—but it has not in the last few years kept the farmers' bins empty. Sometimes I wonder whether the Wheat Board knows what the railroads are doing. I wonder whether the railroads know what the elevator companies are doing. I wonder whether any of these organizations know what the farmers' problems are.

I sat on the Public Accounts Committee just last week and heard officials of the Wheat Board discuss the elevator situation in Vancouver. There are several grain elevators in Vancouver and two or three of them at least are empty. So far as I could make out from questioning, the National Harbours Board looks after these elevators. They do not know what the Wheat Board intends to do about them and the Wheat Board does not know what the Harbours Board intends to do about them. Sometimes when we want to sell grain to the Orient we are incapable of delivering that grain.

• (5:50 p.m.)

It is difficult enough to sell it in a glutted world wheat market. We understand that. However, with the wheat piled up on the Prairies and the railroads operating when there is not a strike, surely it is possible for the wheat board, railroads and harbour people to get together so that any time 10 or 20 ships are waiting to be loaded in Vancouver the facilities are available to load them.

I raise this matter because the bill purports to include rye, flaxseed and rapeseed under the Wheat Board in addition to wheat, oats and barley. If the Wheat Board is so busy that it cannot properly handle wheat, oats and barley, how can we expect it to handle three additional grains, rye, flaxseed and rapeseed? Are these three grains to be put into the same category as wheat? At the present time the farmers in my district use rapeseed as a cash crop. I presume that when Bill C-238 is passed, rapeseed will be handled the same as wheat. It will no longer be a cash crop. The farmers will either have to wait or take a down payment on wheat. They will never know what their final payments will be. Instead of having a cash crop, they will have to wait. The opportunity of getting cash to pay their day to day debts will be gone.

I understand that if the elevators in Vancouver were renovated to a small degree, they could be used for storing rapeseed. Would the Wheat Board be in any better position to use these elevators to store rapeseed than to store grain? They are not used to store wheat at the present time. The Harbours Board people to whom I have spoken do not know what the Wheat Board intends to do. I do not know whether the Wheat Board checks with them to have the ships load grain for export.

We should take a good look at agriculture. This industry should be co-ordinated. There should be someone in the Department of Agriculture who can pull the different branches of the industry together. If the farmers are going to grow wheat, there should be some indication whether it can be sold. If they are going to change from wheat to rapeseed, they should know whether it will be sold. A great deal more should be done by way of research. We now have rigidity; we do not need more. Perhaps the Wheat Board should have more power and opportunities to find world markets. On more than one occasion in this House it has been said that the Minister of Agriculture (Mr. Olson) or the minister in charge of

the Wheat Board (Mr. Lang) feel they are responsible for sales. If sales are made, the Wheat Board likes to say that it made them. If the wheat is not sold, the Wheat Board says it is stymied by the government. When wheat sales are made, the government says that it made them and the Wheat Board is incidental. Whose responsibility is it to sell grain?

The Canadian Wheat Board Act should be amended in other ways than those outlined in Bill C-238. I hope this bill will receive a good working over before it becomes law From correspondence I have received, I understand that putting rye, flaxseed and rapeseed under the Wheat Board is not universally welcomed by the farmers. It is true that some farmers are very vociferous in wanting these grains under the Wheat Board. This depends on their location and whether they are specialists in these grains. However, many farmers do not want this legislation.

I suggest that Bill C-238 be discussed with the farmers before it becomes law. We wanted Bill C-197 discussed with the farmers before it was made law. The correspondence which I received a year ago indicated that Bill C-197 should be passed as quickly as possible.

An hon. Member: Bill C-176.

Mr. Bigg: It is now Bill C-176; a year ago it was Bill C-197. In any event, it is practically the same bill; it has not changed very much. Some newspaper articles blamed the opposition for holding up the bill. The same people who wanted Bill C-197 passed a year ago now want Bill C-176 passed. However, they always include a rider which would provide that the bill be amended in line with what the farmers want. The same could be said of this bill.

I warned the government not to have Bill C-238 passed until it finds out what the farmers want. We cannot believe the farm unions. There are four operating in my district. They do not get together, but they have a right to vote on it. I suggest that there be a plebiscite. Whenever there is a touchy problem such as whether rapeseed should be included under the Wheat Board, the people who grow rapeseed should be consulted. They are in the best position to know whether it should be included under the Wheat Board. If the farmers lose money by not being under the Wheat Board, that is their right. I nail my colours to the mast. It is even their right to go broke. They do not ask the government to always be saving them. The government should make it possible for farmers to make the sales they want. They should have the first, second, third and final say.

The Acting Speaker (Mr. Laniel): Order, please. It being six o'clock, I must interrupt the hon. member. The Chair has been informed that the President of the Privy Council (Mr. MacEachen) seeks permission of the House to revert to motions. Is it agreed?

Some hon. Members: Agreed.

[Mr. Bigg.]

ROUTINE PROCEEDINGS

BROADCASTING, FILMS AND ASSISTANT TO THE ARTS

REFERENCE OF ANNUAL REPORT OF CANADA RADIO-TELEVISION COMMISSION TO STANDING COMMITTEE

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I thank the House for allowing me to revert to motions. I move:

That the annual report of the Canadian Radio-Television Commission for the year ended March 31, 1970, be referred to the Standing Committee on Broadcasting, Films and Assistance to the Arts.

Mr. Downey: Mr. Speaker, this motion is acceptable to the opposition.

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

Some hon. Members: Agreed.

Motion agreed to.

* * *

NATIONAL RESOURCES AND PUBLIC WORKS

AUTHORIZATION FOR STANDING COMMITTEE TO STUDY OIL AND GAS INDUSTRY AND VISIT VARIOUS PARTS OF CANADA FOR THIS PURPOSE

Hon. Allan J. MacEachen (President of the Privy Council): With Your Honour's permission, I have another motion I would like to put before the House. I move:

That the Standing Committee on National Resources and Public Works be authorized to study the oil and gas industry in Canada with particular reference to the ecological implications of various modes of transporting the product; and that in the conduct of such a study, the committee be empowered to adjourn from place to place within Canada during the week beginning June 13, 1971, and during the adjournment of the House.

Mr. Baldwin: Mr. Speaker, I have had discussions with the President of the Privy Council (Mr. MacEachen). As far as the principle of the motion is concerned, we are in agreement with it. This is a good committee and we think it is the appropriate committee to deal with this matter. At this stage, we are not prepared to agree to that aspect of the motion which provides that the committee leave this city and miss the parliamentary session during the week of June 13. In our view this is an exceptionally busy time. We have problems and we feel that the committee should remain here. I have said this to the minister. He realizes our position. We think that this involves not only travelling within Canada but visiting such places as Russia to see what that country is doing. Rather than just having frost and foam coming out of there, the committee could make an objective study.

I must say, with regret, that we cannot accept the motion in its present form. If the aspect which deals with

travelling during the week of June 13 were deleted, we would be happy to accept the motion.

• (6:00 p.m.)

The Acting Speaker (Mr. Laniel): Does the House accept the motion of the President of the Privy Council (Mr. MacEachen), with the reservation mentioned by the hon. member for Peace River (Mr. Baldwin)?

Oil and Gas Industry Studies

Mr. MacEachen: I think I would defer putting the motion for the moment, pending further consultation.

The Acting Speaker (Mr. Laniel): The motion is withdrawn.

Motion withdrawn.

At six o'clock the House adjourned, without question put, pursuant Special Order until Friday May 28.

HOUSE OF COMMONS

Friday, May 28, 1971

The House met at 11 a.m.

MESSAGES FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate have passed Bill C-180, an act respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products, with amendments, to which the concurrence of this House is desired.

Also, a message has been received informing this House that the Senate have passed Bill S-21, an act respecting the Canadian Pacific Railway Company, to which the concurrence of this House is desired.

* * *

PRIVILEGE

MR. HOWARD (SKEENA)—STATEMENT BY SOLICITOR GENERAL RESPECTING PLACING OF CERTAIN INMATES IN COLLINS BAY DISSOCIATION CELLS

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a question of privilege. My question of privilege relates to a statement which the Solicitor General made in the House a few days ago and the effects of that statement upon the lives of a certain number of individuals.

On May 21 I posed the following question to the Solicitor General:

> With respect to the seven inmates who were transferred from Millhaven on the night of May 12, I believe, to Collins Bay Penitentiary where they are now being held in isolation, or, in other words, in the hole or in the dungeon, does the minister not consider that to be a form of punishment?

The minister, in his response, made some reference to the disturbance at Kingston and then added:

> The choice was not ours, but that of the inmates. Up till now, no disciplinary action has been taken against the inmates and, recently, considering that further disturbances were expected—

Then he sat down without saying anything further. My question of privilege relates to the declaration by the Solicitor General that the seven men themselves chose to be placed in the dissociation cells at Collins Bay. The carelessness of that statement on the part of the Solicitor General should in itself have been sufficient to prevent his becoming Solicitor General in the first place, because it was irresponsible and destructive. The effect of that sort of looseness with the truth, if it is nothing else, has been reflected in the fear which exists in the minds of probably 30 to 35 inmates at Collins Bay, Kingston penitentiary and Millhaven who are in dissociation cells. I have two or three letters from inmates in support of this statement. Perhaps I could quote one of them to indicate the degree of fear which exists and the damage which has been done by this carelessness on the part of the Solicitor General. One letter says:

> It has come to my attention that Mr. Goyer has made a frightening statement. He said that we have asked to be locked up for protection. If taken seriously by other inmates we may genuinely need that protection.

Another says:

> • (11:10 a.m.)
>
> Now we hear that Mr. Goyer says we "asked" to be locked up for our own protection. This is an outright lie and in so stating he has placed the lives of 33 men in dire danger. He has in effect called us "stool pigeons".

Anyone who is the least bit familiar with these matters, as obviously the Solicitor General is not, anyone who knows what goes on in a penitentiary will realize that this sort of accusation is the worst sort that can be made and does actually place the lives of these men in dire danger. Another letter says—

Mr. Speaker: Order, please. The hon. member indicated he would quote from one letter and now he is about to read from the third. I suggest that he indicate what his question of privilege is.

Mr. Howard (Skeena): Mr. Speaker, I was trying to point out that this was not an isolated instance and the view of one individual alone but the view of a number of people. On the basis of that view, if you find that there is a prima facie case of privilege in that the Solicitor General, to be generous, was careless and irresponsible in making a statement to the House that was not in accordance with the truth, I should like to move, seconded by the hon. member for Timiskaming (Mr. Peters):

> That this House express its dissatisfaction of the manner in which the Solicitor General has dealt with the disturbance at Kingston penitentiary and developments subsequent thereto.

Mr. Speaker: Order, please. The hon. member for Skeena gave the Chair the required notice of his intention to bring the matter to which he has alluded, and which he would like the House to consider, before the House by way of a question of privilege. I should like to refer the hon. member to citation 133 of Beauchesne's Fourth Edition which clearly states that circumstances such as those now before the House cannot be debated by way of breach of parliamentary privilege. Substantially, the matter involves a dispute as to facts, and that cannot be the basis or foundation of a question of privilege.

I might add that the motion proposed by the hon. member is a substantive motion. On the basis of well accepted precedents, that kind of motion, as the hon. member knows, can only be moved by way of a clear condemnation of the minister involving a substantive privilege motion. There is, of course, a procedure well established if the hon. member wishes to pursue the matter on that basis. However, on the basis of what is before the Chair at the present time I have to rule that there is no prima facie case of privilege and the motion therefore cannot be put to the House for debate at this time.

[*Translation*]

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

FINANCE, TRADE AND ECONOMIC AFFAIRS

Seventeenth report of Standing Committee on Finance, Trade and Economic Affairs, in the two official languages.—Mr. Clermont.

[*English*]

AGRICULTURE

Sixth report on Standing Committee on Agriculture—Mr. Beer.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Second and third reports of Standing Committee on Indian Affairs and Northern Development—Mr. Watson.

NATIONAL RESOURCES AND PUBLIC WORKS

Sixth report of Standing Committee on National Resources and Public Works—Mr. Hopkins.

[*Later:*]

[*Translation*]

REGIONAL DEVELOPMENT

Third report of Standing Committee on Regional Development, in the two official languages—Mr. Béchard.

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

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[*English*]

EXTERNAL AFFAIRS

TABLING OF JOINT COMMUNIQUÉ ON VISIT OF PRIME MINISTER TO SOVIET UNION

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to table copies in English and French of the joint communiqué on the visit to the Soviet Union of the Prime Minister of Canada.

STATEMENT ON AID TO REFUGEES FROM EAST PAKISTAN

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, I should like to make a statement I promised to make the other day about aid to the refugees from Pakistan now in India.

During the past several days a number of questions have been raised with regard to the nature of the government's response to requests from the government of India and the United Nations High Commissioner for Refugees for assistance in providing relief for refugees from East Pakistan. The House will recall that on May 18 the Secretary General of the United Nations issued an appeal calling for urgent, humanitarian assistance to relieve the plight of these refugees and sought the co-operation of governments and private organizations in a co-ordinated effort through the United Nations to alleviate their suffering.

The government accepts without hesitation that the financial burden of providing relief cannot be borne by India alone. To help meet the urgent human needs in West Bengal and other border states, the government is providing $2 million in relief supplies including foodstuffs, medicines, medical supplies and cash contributions. This $2 million is a supplementary contribution to the international emergency relief appropriation and will not affect the bilateral development assistance program for India.

It is most important that relief be provided in as effectively co-ordinated a manner as is possible. We are consulting closely with the United Nations in order to ensure that Canada's contribution will complement the contributions of other governmental and private donors who have indicated their willingness to contribute.

The longer-term needs arising out of the presence of the refugees in India are not yet known. This contribution is designed to help meet the immediate needs of the situation.

The government shares with members on all sides of the House and Canadians generally the urgent wish to help bring relief to the suffering in East Pakistan. Adequate funds, needed supplies, means of transportation and the right kind of experts are all available. We are continuing, through the World Bank and other international organizations, to seek a way to deal with the problem. Our High Commissioner in Islamabad is urging upon the government of Pakistan the need to admit relief supplies under proper international supervision and control. I regret that I cannot at this time report any significant progress.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, we have been asking the minister to make a statement of this kind, and I would be less than courteous if I did not say we thank him for it. I can also say that we approve of what has been announced today. We are glad that something has been done and would have welcomed it sooner. I am in no position to judge as to the adequacy of the amount of $2 million and how it relates to the magnitude of the problem which exists in that troubled part of the world.

I agree with the minister that the government of India cannot, of course, be expected to bear alone the high cost of meeting the problem which has been forced upon it across its frontiers. This is a very difficult situation. Surely we have reached a stage of civilization where the victims of a war, which is not an international conflict but is designated as a civil war, should not be insulated from the kind of humanitarian help which people outside that country seek to provide. It is obvious there has been terrible suffering in this area and I am sure this contribution is just one step along the road toward offering the kind of assistance needed for the restoration of the many people suffering in that land.

I note that the minister's statement concluded on a note of sadness. He indicated that no significant progress has been made in urging upon the government of Pakistan the need to admit relief supplies under proper interna-

tional supervision and control. I should like to say, through him, to the government of Pakistan that I implore it to do everything possible to open the situation to international scrutiny, because it is not at all pleasing that one of our Commonwealth fellow members should have such a very poor image, as seems to be the case throughout the world. I do hope that the Canadian government will do everything possible through its friendly relations with this sister Commonwealth state to urge upon it the kind of a course set out in the minister's final paragraph.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, the hon. member for Greenwood (Mr. Brewin), speaking on behalf of this party, has been urging upon the Secretary of State for External Affairs (Mr. Sharp) that a statement such as this be made in the House of Commons. Speaking for this party I want to say that we welcome this announcement most warmly. We are sure that the people of Canada will approve of this contribution of $2 million. As the previous speaker has said, we here on the floor of the House are not in a position to judge the adequacy of that amount, but we trust that if events prove that an even larger contribution from Canada is required, the government will give favourable consideration to it.

I join with the hon. member for Hillsborough (Mr. Macquarrie) in urging on behalf of members of this House that the government of Pakistan appreciate the world concern over this situation and that it find a way to permit these supplies to reach the people who need them, under proper supervision.

• (11:20 a.m.)

The only other comment I would like to make is that we feel the government of Canada should be studying very carefully the appeal of Prime Minister Ghandi of India to the nations of the world to realize that this situation in Pakistan or Bangla Desh, in that subcontinent, will have to be resolved by the finding of a political solution. The nations of the world will have to be involved and we think Canada should be giving its best thought to this important and pressing problem.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, surely the government could not remain indifferent to the current situation in Pakistan and to the refugees from western Pakistan.

My colleagues and myself welcome the announcement made in this House by the Secretary of State for External Affairs to the effect that Canada is prepared to provide $2 million in relief supplies including food, pharmaceuticals, medical supplies and cash contributions.

We also welcome the fact that the government is acting to ask our High Commissioner to urge the Pakistan government to allow the access of relief under appropriate international control.

We must obviously help ease the hardships of these refugees and we commend the government for taking steps for this purpose.

[*English*]

TRANSPORT

FERRY FARE INCREASE, NORTH SYDNEY-PORT AUX BASQUES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Walter C. Carter (St. John's West): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to present a motion on a matter of urgent and pressing necessity. This matter concerns the 60 per cent increase in passenger and motor car fares on the government ferry service between North Sydney, Nova Scotia, and Port aux Basques, Newfoundland. This rate increase violates term 32 of the terms of confederation between Canada and Newfoundland. It is an unprecedented breach of the government guidelines against inflation and a foul blow to the Newfoundland tourist industry at a time when 25 per cent of the Newfoundland labour force are unemployed. I therefore move, seconded by the hon. member for Moncton (Mr. Thomas):

"That this House resolves that the fare increase on the Nova Scotia-Newfoundland ferry service be suspended and that the matter be referred to the Standing Committee on Transport and Communications.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for St. John's West. This motion requires unanimous consent of the House by virtue of Standing Order 43. Is there unanimity?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity. The motion cannot be put.

* * *

[*Translation*]

MISCELLANEOUS PRIVATE BILLS

REFERRAL OF PETITIONS AND REPORTS TO STANDING COMMITTEE

Mr. Victor Forget (Saint-Michel), seconded by Mr. Antonio Thomas (Maisonneuve-Rosemont), moved:

That the Canadian Pacific Railway Company and Royal Victoria Hospital petitions tabled after the delay prescribed by Standing Order 90 be referred to the Standing Committee on Miscellaneous Private Bills and Standing Orders, with the fourth report of the Clerk of petitions submitted to the House on Friday, May 28, 1971, in order that the Committee be in a position to make the proper recommendations.

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

Some hon. Members: Agreed.

Motion agreed to.

[*English*]

THE CANADIAN ECONOMY

GOVERNMENT POLICIES RESPECTING INFLATION AND UNEMPLOYMENT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. G. W. Baldwin (Peace River): I have the honour to present a motion under Standing Order 43, subject to the unanimous consent of the House. The urgent and pressing necessity compelling the motion lies in the fact that, present unemployment-creating policies having failed to cope with inflation, there is an absolute requirement for Canadians to be informed as to the future intentions, if any, of the government in this regard. I would therefore ask unanimous consent to put the following motion:

That in order to restore confidence in the public and to apprise industry and labour of its policies and intentions with regard to establishing a predictable and suitable price structure, the government should forthwith indicate with clarity and precision its target in this connection and the steps it intends to take to achieve it.

[*Translation*]

Mr. Speaker: The House has heard the motion brought forward by the hon. member for Peace River (Mr. Baldwin). It requires unanimous consent of the House under Standing Order 43.

[*English*]

Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

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FINANCE

SALARY OF MINISTER—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I have a motion which I should like to offer under Standing Order 43. May I say to hon. members opposite that before they get ready their chorus of no's they listen to the motion because I am sure they will agree with it. In view of certain objections raised by members of the Liberal party, in particular the stand taken by the hon. member for Cochrane to the effect that government funds should not be made available to persons not acting in the national interest, I move, seconded by the hon. member for Vancouver East (Mr. Winch):

That the salary of the Minister of Finance be reduced to one dollar.

Some hon. Members: Hear, hear!

[*Translation*]

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

Some hon. Members: No.

Mr. Speaker: There is no unanimity. The motion cannot be put.

[Mr. Speaker.]

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

INFLATION—INTRODUCTION OF WAGE AND PRICE GUIDELINES—USE OF MANDATORY WAGE AND PRICE CONTROLS

Hon. George Hees (Prince Edward-Hastings): I have a question for the Acting Prime Minister. In view of the statement last night by the chairman of the Prices and Incomes Commission that "present moderation in inflation will not be enough, and some form of direct pressure on wage and price increases will be called for", is it the intention of the government, either itself or through the Prices and Incomes Commission, to announce in the immediate future price and wage guidelines to be adhered to by industry and labour, and is it also the intention of the government at the same time to announce that it is prepared to introduce mandatory price and wage controls if it becomes apparent that these guidelines are being ignored as they were a year ago?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, that was a very complicated question. Perhaps I should deal with it piece by piece. It is not the government's intention to introduce wage and price guidelines at the present time. Circumstances may change, but this is not our present intention. As for mandatory wage and price controls, as has been said many times in the House, the government has been looking at contingency plans which might be necessary, but in view of the fact that we have been among the most successful countries in the world in controlling inflation I doubt very much whether they will be needed immediately.

Some hon. Members: Oh, oh!

Mr. Hees: In view of the fact that the index of industrial production shows a marked drop this week, confirming the high and rising unemployment figures of which we were made aware a short time ago, does the government not believe that now is the time to start giving serious consideration, as the chairman of the Prices and Incomes Commission has indicated we should, to taking definite steps to face up to these twin problems of high unemployment and high inflation?

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

BUDGET ACTION TO DEAL WITH UNEMPLOYMENT AND PRODUCTIVITY RATHER THAN INFLATION

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a supplementary question to the Acting Prime Minister. Following the submission by Professor Clarence Barber, Chairman of the Department of Economics at the University of Manitoba and past chairman of the Royal Commission on Farm Machinery, to the Senate yesterday to the effect that we are losing $5 billion in production annually because of the high level of unemployment, will the Acting Prime Minister assure

the House that in his new budget the Minister of Finance will come forward with a program to deal primarily with unemployment and productivity, and not with inflation?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think the hon. gentleman is pressing an opposition which is not justified. I do not think it is possible to improve the employment situation by following inflationary policies, and the government does not intend to follow them. What it is following now is a sound expansionary policy. I only wish we had as much support for this as we should have.

Mr. Broadbent: Is the Acting Prime Minister aware that virtually 70 per cent to 80 per cent of the economists in this country—

Mr. Speaker: Order, please. The right hon. member for Prince Albert on a supplementary.

SUGGESTED REPEGGING OF CANADIAN DOLLAR AT FIXED EXCHANGE RATE

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, I preface my question by saying that under no circumstances would I support a move to reduce the salary of the Minister of Finance to $1. I do not want to see him made a goat, even though he has been made a sheep in following some of the government's policies. I want to ask the minister whether, having regard to all the circumstances set out by the hon. member for Prince Edward-Hastings, and this being the first anniversary of the ending of the peg on the dollar, the government is giving consideration now to the restoration of the peg?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I really could not answer that question in the House at this time. If the government made a decision in this regard it would be announced in the normal manner.

INFLATION—REQUEST FOR TABLING OF PROPOSALS FOR CONTROL UNDER STUDY

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my supplementary is directed to the Acting Prime Minister. In light of the admission of the Chairman of the Prices and Incomes Commission that they are studying a variety of control systems, is the government going to table these proposals and provide them to the provinces for their consideration?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. If it became necessary to apply price and wage controls I should think it would be under circumstances in which the government would act in an emergency, and under such circumstances I do not think one could call one's shots very far in advance.

Mr. Ryan: Does the Acting Prime Minister share the view of the Chairman of the Prices and Incomes Commission that the Canadian economy is now not manageable and—

Inquiries of the Ministry

Mr. Speaker: Order, please. That question is not in order. I will recognize a few additional questions on this subject, but I suggest that following that we shoud move to the next subject. For the moment the Chair will recognize the hon. member for St. John's East.

INFLATION—FERRY FARE INCREASE, NORTH SYDNEY-PORT AUX BASQUES—APPROVAL BY GOVERNMENT OR PRICES AND INCOMES COMMISSION

Mr. James A. McGrath (St. John's East): Mr. Speaker, my question is directed to the Acting Prime Minister, and I ask it of him in the absence of the Minister of Transport. Has the government approved the substantial and extravagant increases in the ferry rates between Newfoundland and the mainland, which will have such a detrimental effect on the already critical economy of Newfoundland?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, this is a question that should be directed to the Minister of Transport who has primary responsibility. He will be in the House early next week.

Mr. McGrath: Then, Mr. Speaker, may I direct a supplementary to the Minister of Consumer and Corporate Affairs. Perhaps I might have a little more luck with him. The matter certainly falls within his area of responsibility. Has the Prices and Incomes Commission approved the extravagant increases in ferry rates on CNR ferries operating between Newfoundland and the mainland and, if not, will the minister assure the House that he will refer this matter to the commission?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is not the purpose of the Prices and Incomes Commission to approve rate increases or rate structures. Whether they are examining these particular rates or increases is something I will have to determine.

UNEMPLOYMENT AND INFLATION—EVIDENCE OF EMERGENCY—IMPLEMENTATION OF CONTINGENCY PLANS

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I would like to ask the Minister of Finance whether the government has any early predictions for the level of unemployment during the month of May, whether it has made any calculations itself, whether it can give the House an indication of its expectations, and whether in fact the government has evidence that the economy is in an emergency state of affairs and as a result of this fact, and because of the facts mentioned by the hon. member for Prince Edward-Hastings, whether the government will introduce price and wage controls during the budget statement on June 17 or June 18?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as I understand it the unemployment survey is being taken this week and will not be reported until the second week or third week in June. With respect to what is going to be in the budget, of course the hon. member will have to wait until the budget comes.

Mr. Lundrigan: As a supplementary—

Inquiries of the Ministry

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Gander-Twillingate for one last supplementary on this subject, and then recognize the hon. member for Broadview.

Mr. Lundrigan: Mr. Speaker, my supplementary is directed to the Acting Prime Minister. In view of the fact that there is continuous reference to a number of contingency plans and control systems being studied by the government, and also by the gentleman running interference for the government, has the government evidence that the economy has reached a crisis situation of emergency proportions, in terms of unemployment and inflation, sufficient to justify this kind of talk, and does the government in fact plan to introduce these kinds of emergency measures?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it is quite clear from the very words used by the hon. member that these are contingency plans. They are prepared for a contingency that may or may not arise. I think the hon. gentleman will agree that if circumstances should justify it we should have plans for this purpose, but we do not think these circumstances exist now.

* * *

PENITENTIARIES

CHARGES AGAINST INMATES FOLLOWING KINGSTON RIOT —PERFORMANCE OF DUTIES BY MILLHAVEN GUARDS CHARGED WITH OFFENCES

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to direct a question to the Solicitor General. Have charges been laid against any of the inmates of Millhaven institution with regard to alleged offences committed at Kingston penitentiary?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Not to my knowledge, Mr. Speaker.

[*English*]

Mr. Gilbert: Are the guards against whom charges have been laid still performing their duties at Millhaven institution?

[*Translation*]

Mr. Goyer: Mr. Speaker, no disciplinary action has been taken against the guards in the light of the well known basic rule in criminal law to the effect that an individual is presumed innocent until proven guilty.

Besides, upon consultations with the local unit of the Public Service Alliance, we agreed that the guards would have no direct contact with the inmates of Millhaven.

[*English*]

Mr. Gilbert: Why would inmates at Millhaven who have not been charged be transferred to another institution and the guards who have been charged with offences be retained at Millhaven institution?

[Mr. Lundrigan.]

[*Translation*]

Mr. Goyer: Mr. Speaker, I repeat that no criminal charges have as yet been laid against the inmates. I am still waiting for the Ontario Provincial Police to finish their investigation into the death of two inmates and the case of the ten wounded in Kingston when the inmates were in full control of the cell-block and of the dome.

We have taken no disciplinary action following the events at Kingston penitentiary.

[*English*]

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I would like to ask the Solicitor General whether, in view of the fact that he talks about a presumption of innocence so far as the guards are concerned, he is following that same presumption of law so far as the inmates are concerned? In light of his answer may I put this to him: is he going to make a statement to explain his warning or threat that there will be no prison reforms unless the prisoners act responsibly? What kind of threats is he making, and what response does he expect?

Mr. Speaker: Order, please. The hon. member has asked quite a few questions, but I would think that basically he is asking whether a statement will be made by the Solicitor General. Perhaps the Solicitor General might reply to that question.

[*Translation*]

Mr. Goyer: Mr. Speaker, what I have said is that if reforms are in order, they will be undertaken. There is no other way to proceed. That is what I have said. It is very simple: to make reforms, we need the co-operation of the inmates, of the guards and of the public in general.

[*English*]

Mr. Woolliams: In view of the statement by the Solicitor General about the presumption of innocence which he applies to the guards, does he apply that same rule of law to the prisoners and inmates of the penitentiaries particularly in light of the threats he has made to them?

[*Translation*]

Mr. Goyer: Mr. Speaker, we certainly respect the law and we do not intend deviating from total respect of the law as was done outside penitentiaries. In the penitentiaries we are subject to the law and respect it.

This having been said, I would mention that I have made my remarks on reforms after the events which took place in Dorchester, namely after the second outbreak of troubles and violence. And I am saying again that it is not possible to effect reforms amidst disorder.

[*English*]

KINGSTON RIOT—DISCIPLINARY ACTION AGAINST INMATES

Mr. Arnold Peters (Timiskaming): I have a supplementary question for the Solicitor General, Mr. Speaker. In light of the minister's statement that no disciplinary action has been taken, would he kindly explain to the

House how PSR 230, which I presume is Prison Service Regulation 230, has resulted in disciplinary action in the case of 30 prisoners as a result of the riot and to which the minister has alluded?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker. I have never avoided answering the question. What I said is reported on page 6039 of *Hansard* and I quote:

> Mr. Speaker, there is no doubt that, immediately after the disturbances in Kingston, there was not enough room for some inmates and we had to make use of all other premises available. The choice was not ours, but that of the inmates. Up till now, no disciplinary action has been taken against the inmates and, recently, considering that further disturbances were expected—

And then I was unable to go on with my remarks.

[*English*]

Mr. Speaker: Order, please. It seems to me that we are entering into a debate over what was said and what was not said.

Mr. Woolliams: He should resign.

Mr. Speaker: Order, please. This is not the time or occasion for such debate. The hon. member for Témiscamingue. I shall return to the hon. member for Skeena in a moment.

* * *

[*Translation*]

INDUSTRY

DISCUSSIONS BETWEEN OTTAWA AND QUEBEC RESPECTING PURCHASE OF CL-215 AIRCRAFT FROM CANADAIR

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Due to the rather difficult conditions prevailing at Canadair Limited in Montreal which has dismissed 5,000 workers, has the government or the department been approached by the Quebec authorities concerning the purchase of CL-215 aircraft to help control forest fires, since the building of ten aircraft or an order therefor would enable Canadair to hire 1,500 men for a year and a half? Has the minister been approached by the provincial government in this connection?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the situation is somewhat different. The Quebec government has already bought 15 such aircraft and apparently has more than needed. Quebec has been asked not to put its surplus CL-215 aircraft on the market at the present time in order not to endanger the production opportunities of the company.

However Canadair did ask the federal government to finance the production of additional aircraft and the request is under study.

[*English*]

Mr. Speaker: Order, please. The hon. member for Skeena had a supplementary to the previous question.

Inquiries of the Ministry

PENITENTIARIES

RIGHT OF INMATES TO COMMUNICATE WITH MEMBERS OF PARLIAMENT

Mr. Frank Howard (Skeena): I have a supplementary question, Mr. Speaker, for the Solicitor General. With respect to the statements which the minister and Commissioner Faguy made before the Justice and Legal Affairs Committee to the effect that inmates would have the right to communicate directly with the commissioner, with Members of Parliament, and with the minister of course, on a confidential basis, can the minister say whether any change has been made in that situation? Do all inmates still have that right?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I think the Commissioner's statement dealt with written communications between an inmate and his member of Parliament or vice versa. We have changed the policy so that from now on, inmates may send their members of Parliament sealed letters which will not be submitted to the control of penitentiary authorities.

Besides, the measure was taken to answer a request by several members of Parliament. On the other hand, there has been no change to the practice of letting hon. members visit penitentiaries and talk with inmates. There is only one reservation; because of exceptional circumstances, visits to Ontario penitentiaries will not be allowed for the reasons I have already outlined, until the situation is back to normal.

[*English*]

Mr. Howard (Skeena): Would the Solicitor General mind checking into an allegation that on Friday, May 21, certain inmates at Collins Bay penitentiary were advised that they could engage in this sort of confidential communication which the minister has committed himself to accept and on Tuesday of this week, May 25, letters that had been written were returned to them by the administration, having been opened, and the prisoners were told that the policy had been changed?

[*Translation*]

Mr. Goyer: Mr. Speaker, I will surely investigate the matter. It may well be that the instructions have not yet been received by penitentiary wardens and that the Commissioner has not had the opportunity to give instructions. However, I will certainly see to it that the situation is corrected.

[*English*]

SUGGESTED APPOINTMENT OF OMBUDSMAN TO INVESTIGATE PRISONERS' COMPLAINTS

Mr. Steven E. Paproski (Edmonton Centre): I have a supplementary question for the Solicitor General, Mr. Speaker. In view of the recent riots in Kingston penitentiary and in Millhaven and in view of the unrest and unsettled state of affairs in other penitentiaries and penal institutions across Canada, would the minister consider appointing an ombudsman who would articulate the pris-

oners' reactions not only to administrative control but also to inappropriate programs?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have already announced the steps which we have taken in that respect: they are different. There is no question of an ombudsman because I think that one man alone cannot handle that job. Our system and our means of communication with the prisoners must be improved, and it is to that end that our efforts are now being made.

* * *

[*English*]

WELFARE

ADDITIONAL FINANCIAL ASSISTANCE TO PROVINCES BECAUSE OF LAPSE OF SEASONAL UNEMPLOYMENT INSURANCE BENEFITS

Mr. W. B. Nesbitt (Oxford): I should like to direct a question to the Acting Prime Minister. Since seasonal unemployment benefits will run out as of next Monday, does the government have any plans to provide financial assistance to the provinces to the tune of at least $40 million as the provinces will in effect have to pay these benefits in welfare measures?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not accept the hypothesis upon which this question is based. The government is now paying 50 per cent of these costs through the plans already in effect.

Mr. Nesbitt: I have a supplementary question, Mr. Speaker, for the Acting Prime Minister as he does not accept the previous one. Has the government any plans to extend seasonal benefits so that people will not be on relief or do they plan to give more money for the benefit of pregnant elephants in Malaysia?

Mr. Lloyd R. Crouse (South Shore): I have a supplementary or related question for the Minister of Finance. Has the minister two budgets prepared and is it his intention to introduce budget one if the government wins the by-elections and budget two if they do not?

Mr. Speaker: Order, please.

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AIR CANADA

PROVISION OF SEPARATE SEATING AREA ON PLANES FOR NON-SMOKERS

Mr. P. V. Noble (Grey-Simcoe): I had a question for the Minister of Transport but in his absence perhaps I could direct it to the Acting Prime Minister. Has the government given any consideration to providing separate seating areas on Air Canada planes for non-smokers in view of the fact that these facilities are available on most other types of travel accommodation?

Mr. Speaker: Order, please. I wonder how urgent this question is. I suggest to the hon. member that it is the type of question which would normally be placed on the order paper.

[Mr. Paproski.]

POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—ALLEGED STATEMENT BY MINISTER OF ENERGY, MINES AND RESOURCES ON USE OF FOREIGN CAPITAL

Mr. Max Saltsman (Waterloo): I should like to direct a question to the Minister of Energy, Mines and Resources in connection with a statement he made about the $6 billion James Bay hydro project. The minister is reported to have said that "massive inflows of foreign capital" to finance power projects and other resource developments could disrupt the rest of the Canadian economy. May I ask the minister whether he has made these views known to the province of Quebec and, if so, what was the reply?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): I am not sure, Mr. Speaker, where my hon. friend is getting these views of mine, but what I have said is—

Mr. Speaker: Order, please. The question is acceptable only to the extent that the hon. member is inviting the minister to make a statement, but I suggest that he cannot comment or refer to a statement made outside the House. The rule is well known that such statements can be referred to only to the extent that a member may inquire whether the statement represents government policy.

Mr. Saltsman: May I direct the same question to the Acting Prime Minister and ask whether the statement made by the Minister of Energy, Mines and Resources regarding the danger of massive capital inflows in case the James Bay hydro project is proceeded with reflects government policy?

Mr. Greene: Mr. Speaker, I rise on a question of privilege. The hon. member is alleging that I made some statement of which he has no evidence. I do not think he is entitled to do that.

Mr. Speaker: Order, please. Is the hon. member rising on a question of privilege?

Mr. Saltsman: Yes, Mr. Speaker, on the same question of privilege.

Mr. Speaker: Order, please. If the hon. member will resume his seat, I will suggest to him and to the minister that this is obviously not a question of privilege. I had the opportunity earlier today to indicate to hon. members that a dispute over facts cannot give rise to a question of privilege. This is a dispute between the member and the minister as to what was or was not said outside the House, and that should not be the subject of debate at this time.

Mr. Saltsman: In view of the report I have before me, which I presume is accurate unless proven otherwise, is the Acting Prime Minister in a position to answer the question I put to him?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I think it all rests upon whether or not the

statement is accurate. The minister has denied he made such a statement; therefore I have nothing to say.

Mr. Speaker: Order, please. The hon. member for Fundy-Royal.

Mr. Saltsman: On a point of order, Mr. Speaker—

Mr. Speaker: The hon. member rises on a point of order. I apologize to the hon. member for Fundy-Royal. I will return to him in a brief moment, I hope.

Mr. Saltsman: I wonder whether I might ask the question directly of the Acting Prime Minister. Has the government taken a position regarding the development of the $6 billion—

Mr. Speaker: Order, please. That is hardly a point of order. The hon. member for Fundy-Royal.

* * *

OIL

PROPOSED TAPS TANKER ROUTE—GOVERNMENT POLICY RESPECTING STRAIT OF GEORGIA—FORMAL EXPRESSION TO UNITED STATES OF OPPOSITION

Mr. R. Gordon L. Fairweather (Fundy-Royal): Mr. Speaker, I will try the Acting Prime Minister on government policy. Was the minister responsible for the environment speaking for himself or was he enunciating government policy when he recently said it will be necessary to "prevent oil companies coming into the Strait of Georgia?" If so, is the Secretary of State for External Affairs going to express Canada's formal opposition to the TAPS route at his meeting in Washington on June 10?

Hon. Mitchell Sharp (Secretary of State for External Affairs): Yes, Mr. Speaker. I join with the Minister of Fisheries, who will be responsible for the environment, in saying that our particular concern about the movement of oil down the Pacific coast relates to those narrow waters of the Strait of Juan de Fuca and the Strait of Georgia. This is the area about which we have the most concern and on which we will be making the strongest representations to the United States government.

Hon. D. S. Harkness (Calgary Centre): I would like to ask the Acting Prime Minister or the minister who will be in charge of the environment if this means that they are going to stop the present oil tankers carrying oil to the city of Victoria?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I am not aware of tankers taking crude oil to the city of Victoria. There are no refineries there.

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EXTERNAL AFFAIRS

EAST PAKISTAN—REQUESTS FOR POLITICAL ASYLUM IN CANADA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I would like to ask the Acting Prime Minister whether the government has received requests from political exiles in East Pakistan for political asylum in this country? If so, what has been the response thereto?

Hon. Mitchell Sharp (Secretary of State for External Affairs): The answer is not to my knowledge, Mr. Speaker, but I will make inquiries and report.

* * *

GRAIN

RESUMPTION OF PAYMENTS UNDER TEMPORARY WHEAT RESERVES ACT AND PRAIRIE FARM ASSISTANCE ACT TO INCREASE FARM INCOME

Mr. A. P. Gleave (Saskatoon-Biggar): My question is for the Acting Prime Minister. In view of the general decrease in farm income in 1970, with the major part of that decline occurring in the Prairie provinces, will the government reconsider its proposal to discontinue payments under the Temporary Wheat Reserves Act and the Prairie Farm Assistance Act at least for this year or until the farm economy has a chance to recover from the present serious income decline?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, it is our intention to move ahead with the legislation to replace these measures. I think it will be much more valuable than anything that has been done in the past.

Mr. Gleave: My supplementary question is for the Minister of Agriculture. Can the minister give some assurance to the House that he will press the government to consider the very serious situation of agriculture in the prairie region?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker, and I have been doing that for many months.

* * *

HOUSE OF COMMONS

BIRTHDAY CONGRATULATIONS TO MINISTER OF FINANCE

Mr. Leonard Hopkins (Renfrew North): May I through you, Mr. Speaker, wish the Minister of Finance a happy birthday—

Some hon. Members: Hear, hear!

Mr. Hopkins: —and an extremely prosperous economy in the years ahead.

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EXTERNAL AFFAIRS

PRESENCE OF JAPANESE VESSELS FISHING FOR SALMON OFF GREENLAND

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a serious question for the Acting Prime Minister. Can he report on the questions raised in the House on Wednesday with regard to the report of the presence

of Japanese vessels off the coast of Greenland engaged in the harvesting of Atlantic salmon?

Hon. Jack Davis (Minister of Fisheries and Forestry): I have not had any reports to this effect, Mr. Speaker, but I will certainly look into the matter.

Mr. Lundrigan: This matter was drawn to the attention of the Acting Prime Minister on Wednesday. I am sure he has had time to investigate it. Can we have his report?

Hon. Mitchell Sharp (Acting Prime Minister): Mr. Speaker, I do not have my personal spies in the area.

Some hon. Members: Oh, oh!

Mr. Diefenbaker: You have personal spies?

Mr. Sharp: I generally depend, with reason, upon the Minister of Fisheries who is doing an excellent job of supervising our fisheries and seeing that our resources are conserved.

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INCOME TAX

REMOVAL OF EXEMPTION GRANTED UNITED STATES PROFESSORS AT CANADIAN UNIVERSITIES

Mr. Lincoln M. Alexander (Hamilton West): My question is for the Minister of Finance. I join my colleague in wishing a happy birthday to "gentle Ben". Has the government reached a decision on whether to remove the present tax concession to American academics? Will the minister make a statement in that regard now or do we, as he states, have to wait until the presentation of the budget?

Hon. E. J. Benson (Minister of Finance): I have stated previously, for example, in the white paper proposals, that the exemption could be lifted; the particular advantage that is given to foreign teachers coming to Canada should be lifted. This will, of course, necessitate renegotiation of treaties in due course. I cannot say whether this remains our opinion until the budget is produced.

* * *

THE CENSUS

COST OF PENCILS PROVIDED WITH FORMS

Mr. Cliff Downey (Battle River): My question is for the Minister of Industry, Trade and Commerce and it concerns the census. It is true that the pencils provided with the census forms cost the taxpayers of Canada between $100,000 and $200,000 and, if so, how does the government justify such an expenditure?

Mr. Speaker: Order, please. This question could well be placed on the order paper in writing, with a pencil.

[Mr. Lundrigan.]

EXTERNAL AFFAIRS

PRESENCE OF JAPANESE VESSELS FISHING FOR SALMON OFF GREENLAND

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I would like to ask the Acting Prime Minister whether any investigation was carried out with regard to the charge made in the House on Wednesday that there were Japanese involved in the salmon fishery off Greenland? The minister has treated this question very lightly. He gave a very negative response to a matter which is of grave concern in the Atlantic region.

Mr. Speaker: Order, please. The minister might reply to the first part of the question.

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, at the present time our officials are meeting in Halifax with the Japanese and representatives of other countries. They should be able to provide us with up to date information. I am personally asking for a report on the matter.

[*Later:*]

Mr. Lundrigan: Mr. Speaker, on Wednesday an urgent matter was raised in the House regarding a foreign nation involving itself in the salmon fishery operation, and the Secretary of State for External Affairs, I understand, undertook to make an investigation. I charge there has been a dereliction of duty on his part. If we continue to receive this kind of response from the Secretary of State for External Affairs he should get to heck out of it altogether.

Mr. Speaker: Order, please. The hon. member should resume his seat.

ESTABLISHMENT OF FISHERIES QUOTAS AT ICNAF MEETING

Mr. Lloyd R. Crouse (South Shore): In view of the importance of maintaining our fisheries resources off our Atlantic coast, have quotas been established among the 15 nations of ICNAF, at the meeting in Halifax? If so, how many ICNAF countries have agreed to maintain national fishing quotas and how many have indicated they will not maintain fishing quotas?

Hon. Jack Davis (Minister of Fisheries and Forestry): Some quotas have been established for some species of fish in certain areas. Negotiations are continuing throughout this current week and into next week in the hope of extending quotas to other species in more areas.

Mr. James A. McGrath (St. John's East): A supplementary question. Has Canada's position regarding a total ban on salmon fishing on the high seas met with support at the ICNAF meeting, apart from Denmark?

Mr. Davis: The subject of Atlantic salmon comes up next Wednesday. Our position continues to be that of a total ban of fishing for salmon on the high seas.

THE CENSUS

DECLARATION OF HEAD OF HOUSEHOLD

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a question for the Minister of Industry, Trade and Commerce. In view of the fact that the declaration contained in the census questionnaire that the head of the household is the husband rather than the wife is inaccurate, misleading and undemocratic—

Some hon. Members: Oh, oh!

Mrs. MacInnis: —to the point of insulting large numbers of people who must complete the form, would the minister say whether such an antediluvian description was made with his approval?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, the Bureau of Statistics has to go by appearances most of the time, and this is one such occasion. May I, however, invite members of the House who have any problems respecting the census to come to room 112-N this afternoon at 1.30 where their questions will be answered by officials of the Bureau of Statistics.

Right Hon. J. G. Diefenbaker (Prince Albert): In connection with the meeting which is to take place this afternoon—and for which an invitation has been warmly given by the minister—does it mean that changes will be made and that, for instance, religion will be included in the short form from which it has now been omitted?

Mr. Pepin: No, Mr. Speaker, but some of the mistakes made by the right hon. member for Prince Albert will be corrected at that time.

Mr. Diefenbaker: On a question of privilege, the minister says he is going to correct some mistakes that I made. Let me point out that there is no reference to the fourth largest ethnic group in Canada, the Ukrainian, in the short form, despite the falsification in which he participated in my absence last Friday.

Mr. Speaker: Order, please. I suggest to the right hon. member that what he has raised is not a question of privilege but a matter of debate.

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PENITENTIARIES

PLACING OF CERTAIN INMATES IN COLLINS BAY DISSOCIATION CELLS

Mr. Frank Howard (Skeena): I should like to direct a question to the Solicitor General. As his statement of May 21 about inmates being transferred at their own request from Millhaven to dissociation cells in Collins Bay and Kingston penitentiaries has resulted, to say the least, in misunderstanding and in a cloud of suspicion being placed over the heads of these people, would the hon. gentleman care to qualify that observation or apologize for the distortion which has taken place, if that is what did take place, in the statement he made?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I have never said that the prisoners had chosen to be transferred from Millhaven to another place. I said that, as a result of the events in Kingston, we were short of accommodation, that the prisoners had chosen to destroy the buildings in Kingston. That is what I said.

While the prisoners were in Millhaven, the commissioner was advised that trouble was brewing; as a precautionary measure, we chose to transfer some of the Millhaven prisoners to other institutions.

* * *

[*English*]

FISHERIES

ASSISTANCE TO MANITOBA FISHERMEN BECAUSE OF POLLUTION OF CERTAIN LAKES

Mr. Jack Murta (Lisgar): I should like to direct a question to the Minister of Fisheries and Forestry. Can he tell the House whether the government has considered supporting the creation of a special compensation program and an early retirement program for some 207 fishermen who have lost their jobs through no fault of their own because of mercury pollution of Lake Winnipeg and surrounding lakes in Manitoba?

Hon. Jack Davis (Minister of Fisheries and Forestry): A program has been under discussion with the government of Manitoba and the details will be announced shortly.

* * *

EDUCATION

FEDERAL ASSISTANCE TO BUSINESS ADMINISTRATION COURSES

Mr. Mac T. McCutcheon (Lambton-Kent): May I direct a question to the Acting Prime Minister. It is further to a question I asked him last week, which he may recall, respecting the decline in enrolment in business administration courses at our universities. Will the government now give consideration to the recommendation of the Economic Council that joint programs in this area be developed with industry?

Hon. Mitchell Sharp (Acting Prime Minister): Yes, Mr. Speaker. In general, the government is sympathetic to the need for more graduates in business in this country and we have been assisting indirectly in a number of ways, as well as directly, of course, by paying 50 per cent of the operating costs of all higher education. So I can give a positive answer to that question.

Mr. McCutcheon: Will the government consult with the provinces on this matter as well as on the suggestion by the Economic Council that business administration programs, for instance, should be extended to such fields as public health, recreation and consumer protection?

Mr. Speaker: The hon. member' supplementary is in the form of a proposition or suggestion to the government and he has to assume it will be considered.

Inquiries of the Ministry

LABOUR CONDITIONS

SUGGESTED SUBSIDIZATION OF WAGES PAID TO STUDENTS WORKING ON FARMS

Mr. A. D. Hales (Wellington): I should like to address a question to the Acting Prime Minister. When the government is considering programs related to students, would it also give consideration to subsidizing the wages of students who wish to work on farms during the summer months? Many jobs are available on farms, but the agricultural industry cannot pay the rates which students feel they should be paid. Would the government consider a subsidy program in this regard?

Hon. Mitchell Sharp (Acting Prime Minister): I do not think we have any program under discussion now which would involve the subsidization of wages. This is a principle which has many implications and some of them, as the hon. member can see for himself, are rather undesirable.

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POLLUTION

OTTAWA-HULL AREA—ESTABLISHMENT OF WATER QUALITY MANAGEMENT AGENCY

Mr. Randolph Harding (Kootenay West): May I address a question to the Minister of Fisheries and Forestry. Has a water quality management agency been set up for the Ottawa-Hull area under the Canada Water Act and, if not, are arrangements being made for the establishment of such an agency?

Mr. Speaker: Perhaps while the matter is being pondered the Chair will recognize the hon. member for Edmonton West.

* * *

FINANCE

EFFECT OF GOVERNMENT MONETARY POLICY IN LOWERING INTEREST RATES

Hon. Marcel Lambert (Edmonton West): My question is directed to the Minister of Finance. In view of the fact that the average interest on long-term government obligations, as announced by the Bank of Canada today, has increased by half a point compared with the low of a few weeks ago, will the minister advise the House whether he feels that the present monetary policy of the government is having the effect of lowering interest rates?

Hon. E. J. Benson (Minister of Finance): It certainly has with respect to short-term interest rates. The treasury bill rate 18 months ago was 8 per cent. It is now less than 3 per cent. Long-term rates have not reacted to the same degree either here or in the United States; although they have declined somewhat, the decline has not been nearly as great.

Mr. Lambert (Edmonton West): In view of the fact that there has been an increase of over half a point on long-term obligations in general, and in view of the fact that mortgage rates under CMHC and other loan programs of the government are related to this long-term rate, how can the minister say that the monetary policy of the government—

[Mr. Speaker.]

Mr. Speaker: Order, please. That is a matter for debate between the hon. member and the minister.

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POWER

PROPOSED JAMES BAY HYDRO-ELECTRIC PROJECT—REQUEST FOR STATEMENT ON FEDERAL POSITION

Mr. Rod Thomson (Battleford-Kindersley): I have a question for the Acting Prime Minister. In view of the wide-ranging financial aspects of the James Bay power project, would the Acting Prime Minister be prepared to make a statement on motions as to the position of the federal government on this very interesting subject?

Hon. Mitchell Sharp (Acting Prime Minister): No, Mr. Speaker. I do not expect to be Acting Prime Minister for more than a few minutes.

* * *

HOUSING

GOVERNMENT INTENTION RESPECTING ROCHDALE COLLEGE

Mr. Lincoln M. Alexander (Hamilton West): I have a question for the future minister of state in charge of housing and urban affairs. In light of the revealing information he gave the standing committee yesterday about Rochdale and the rather messy situation there, solutions for which are not readily available, and in light of the fact that the taxes are approximately two years in arrears and the mortgage—

Mr. Speaker: Order, please. We are running short of time. Perhaps the hon. member would ask his question.

Mr. Alexander: In view of the fact that the preamble has been given, would the minister indicate what is the government's intention with respect to what he calls a very messy affair?

Mr. Speaker: The minister's reply should be as brief as possible. If it is to be a general statement it should be made on motions. The minister might be allowed to reply briefly.

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I appreciated knowing that the hon. member, speaking yesterday for his party, indicated his party's wish to see an immediate foreclosure on Rochdale. Since we have not reached that decision yet, I will not be in a position to give him a complete answer for another short time, anyway.

Mr. Alexander: Mr. Speaker, I do not know how the minister could come to such a conclusion. If he asked me personally, in view of the situation involving this very messy affair, I would suggest that perhaps he should think of foreclosing and give the place to senior citizens who could put it to better use.

Mr. Speaker: Orders of the day.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Baldwin: Mr. Speaker, I rise on a point of order, the usual Thursday afternoon point of order, which is being put on Friday. Could the Minister of Industry, Trade and Commerce, who is acting as government House leader, say what is the intention with regard to government legislation for next week.

Mr. Pepin: Mr. Speaker, it is a great thrill for me to be acting as House leader.

Some hon. Members: Hear, hear!

Mr. Pepin: It is a great honour too. On Monday, the order will be, first, the Wheat Board amendment; second, the Post Office Act amendment and, third, the Clean Air Act. On Tuesday and for the remainder of the week the order will be, first, the Senate and House of Commons Act amendment; second, the Official Residences Act; third, the Post Office Act amendments, if not completed on Monday, and fourth, the Judges Act amendments. In any case Thursday and Friday will be opposition days.

Mr. Baldwin: The minister does a better job as house leader than as Minister of Industry, Trade and Commerce.

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REGIONAL DEVELOPMENT

REGULARITY OF TABLING OF THIRD REPORT OF STANDING COMMITTEE TO HOUSE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I rise on a point of order. I hope Your Honour will hear my point of order because it is very important. It relates to the tabling today of the third report of the Standing Committee on Regional Development. The Standing Committee on Regional Development held its last meeting on Friday, May 21. The committee was called together at 10 a.m. and did not have a quorum until approximately 10.25 a.m. Immediately a quorum was present, Mr. Speaker, I presented a motion to the chair asking that the salary of the Minister of Regional Economic Expansion be reduced to $1. I did that as a result of the evidence that had been presented to the committee during the course of the examination of the estimates. Members of the committee, in my view, were not satisfied with the policies that the minister was pursuing. The evidence to which I referred had been presented to the committee by expert witnesses and supported this point of view.

Immediately that motion was put, one of the Liberal members of the committee left the meeting, thereby depriving the committee of a quorum. Hence it was not possible to proceed with my motion. Shortly afterwards, Mr. Speaker, approximately four members of the Liberal party arrived, including the hon. member who had left. I questioned the propriety of these hon. members having been placed on the committee under the terms of Standing Order 65(4)(b) after the committee had been called together. In other words, after my motion had been placed before the committee, these members were placed on it with a view to having the Liberal party maintain its majority on the committee and, hence, to defeat my motion.

An hon. Member: Surely not.

Mr. McGrath: I claimed at that time that this was clearly an abuse of Standing Order 65(4)(b). If Your Honour will examine the Standing Order, I hope that Your Honour will agree with that contention. In any event, debate proceeded on the contention that Standing Order 65(4)(b) was being abused as a result of members being placed on the Standing Committee after it had been called together and after my motion had been placed before the committee.

The debate continued, Mr. Speaker, until approximately eleven o'clock, at which time the bells started to ring to call the House together. At that time the six members of the official opposition who were on the committee quite properly rose and left the committee, because the bells were calling them to their place in the House. Consequently, the motion, in our view, was still before the committee. In our view no vote had been taken on the estimates and, indeed, a vote could not properly be taken on the estimates because the bells had begun ringing to call members to the House for the day's sitting. I therefore contend that the third report of the committee should be withdrawn because it is not, in my view, properly before the House.

Some hon. Members: Hear, hear.

Mr. McGrath: The third report states that votes 1, 5, 10, L15, L20, L25 and L30 relating to the Department of Regional Economic Expansion and vote 35 relating to the Cape Breton Development Corporation were passed. The report states that, "your committee commends them to the House". That is not so. The committee did not commend those estimates to the House. The committee did not vote on the estimates. I would, therefore, ask you to direct that this report be withdrawn and properly drafted.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. I will look at the matter brought to the attention of the House by the hon. member for St. John's East.

Mr. MacInnis: Mr. Speaker—

Mr. Speaker: Order, please. Will the hon. member kindly resume his seat. The hon. member may have another point of order but the hon. member for St. John's East has submitted his point and I said I would look into the matter. I can assure all hon. members that I will look into the matter in all its details and give a ruling as quickly as I can.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REFUSAL OF GOVERNMENT TO HAVE U.S.S.R.-CANADA PROTOCOL CONSIDERED BY HOUSE

Mr. Heath Macquarrie (Hillsborough) moved:

That this House regrets the refusal of the government to bring before the House for consideration and decision the U.S.S.R.-Canada protocol in order that all aspects of this relationship can be considered before implementation.

He said: Mr. Speaker, we have accepted the invitation of the Acting Prime Minister (Mr. Sharp) which was delivered yesterday to devote an opposition day to the discussion of the Soviet-Canada protocol. I can tell him that we did not choose this topic because there was any shortage of items on which we could criticize the present government. Indeed, the shelf which contains our potential and future motions of criticism is larger than that which contains the white papers, task forces and letters of resignation from the present government.

Some hon. Members: Hear, hear.

Mr. Macquarrie: So, Mr. Speaker, we are not short of topics. Although, Sir, we are bringing this matter to the attention of the House, and glad to do so in the performance of our duty, we should not be the ones to do this. The government itself should have brought this matter to this chamber. It should have brought to this House for discussion this very important document, as it has described it.

Some hon. Members: Hear, hear.

Mr. Macquarrie: Time was when we had foreign policy debates in this place initiated by a government; now, however, in the age of participatory democracy, such inhibitions as parliamentary discussions have been sloughed off. Press releases are much simpler and visits to distant lands with press entourages are obviously much more dashing and exciting. We have grown accustomed, not to innocents abroad but to professionals abroad. Perhaps it is considered valuable for Canada's Prime Minister (Mr. Trudeau) to become the tourist of the year. Nor should we be critical if the Prime Minister desires to escape from time to time the troubles which his administration has visited upon this country. We have no quarrel with the glamourized publicity—kissing orangoutangs or sliding down banisters is all right with me. If this be descending charisma, so be it. Showmanship is fine but I become concerned when showmanship is taken for statesmanship. So I shall leave aside the frills, frivolities and furbelows of the Russian and other visits and try to examine such things and statements as might be considered serious and significant and beyond the range of the travelogue or public relations field. For such scrutiny there is at least one document which demands our attention, and that is the protocol referred to in the motion now under discussion.

[Mr. Speaker.]

• (12:20 p.m.)

This protocol was signed on May 19 after the Prime Minister's first full day in Russia. One might describe it as almost "instant diplomacy", or was it an item held in freeze from last October when it was thought that a visit to the Soviet Union would be made? According to *Time* magazine of May 24, and this is a journal not unloved by the government:

Such are the formalities surrounding an official visit to Russia that the communiqué summing up the full and frank discussions between Trudeau and Kosygin was, in fact, drafted before Trudeau even left Ottawa.

This interesting revelation is to be found at pages 4 and 5 of the latest issue of *Time* magazine. We received it today so *Time* must have had this information much earlier, and that is not surprising. In the light of this revelation, the narrowly prosaic or frugal might ask in the wartime expression "was this trip really necessary?"

The protocol document was signed with much fanfare and many press statements, but without such mundane things as consultation with or reference to the Canadian Parliament or the Canadian people. We are told that because it was a protocol such inhibiting developments as Parliamentary discussion need not be forthcoming. This is a matter which requires examination, but not much examination before one comes to the conclusion that the naming of this particular testament as a protocol does not by any means avoid the requirement and the propriety that it be discussed in this place and before the Canadian people. Whatever the name used, whether it be called a treaty, an agreement or a protocol, the intent and effects of documents of this kind may be far-reaching for both countries and should have been discussed in Parliament.

Some hon. Members: Hear, hear.

Mr. Macquarrie: Going back to 1926, Prime Minister W. L. Mackenzie King—at times I think he still lives—moved a resolution which set out the procedure governing the negotiation, signature and notification of international agreements and treaties. He stated that:

—before His Majesty's Canadian ministers—

That is now an archaism!

—advise notification of a treaty or convention affecting Canada or signing acceptance of any treaty convention or agreement involving military or economic sanctions, the approval of the Parliament of Canada should be secured.

That is to be found in *Hansard* at page 4759 for the year 1926. It refers to a treaty or a convention affecting Canada. Now, we move on past the day of Mackenzie King and come to some of the luminaries of our governmental services. One of these is Mr. A. E. Gotlieb, a well-known international affairs expert and one of our best international lawyers who, in his book "Canada Treaty-Making" at pages 16 and 17 stated:

A study of Canadian precedents over the years tends to confirm that governments of the day have, as a general rule, considered that the important categories of treaties for which parliamentary approval should be sought prior to ratification fall roughly into four general groups involving:

(1) Military or economic sanctions;

(2) large expenditures of public funds or important financial or economic implications;

(3) political considerations of a far-reaching character.

Surely, if the words of the Acting Prime Minister are to be taken at face value, that this protocol is an historic and important agreement, it would fall clearly within the category set out in paragraph 3 of Professor Gotlieb's book. He is now the Deputy Minister of Communications. If this document, signed in the Soviet Union, is to be taken at face value it is surely one involving political considerations of a far-reaching character. I would say that regardless of the terminology and the designation by the press of this agreement between two countries, any measure into which Canada enters with one of the great powers of the world—the superstate of the Soviet Union —would have to be treated as a major move and should deserve the consideration of this Parliament.

Some hon. Members: Hear, hear.

Mr. Macquarrie: To do less with any agreement or negotiation with one of the great powers of the world is clearly a contempt of Parliament or a denigration of the importance of the document. So to find out, since the document was not put before us, we have to go to that usual source, the lyrical Lynch of the Southam chain, and his associates who have been following the Prime Minister from south to north and from east to west during his latest tour. We must turn to them for information and evaluation, and God knows that is a hazardous enough undertaking for any of us. There have been fullsome and sometimes fanciful reports of what went on, and efforts at judgment and description which, if nothing else, are interesting and readable. Some see the Russian trip as a new bridge of understanding, and some regard it as a buttress to Canadian independence from the United States. I say that this suggestion is unworthy, if not contemptible.

Some hon. Members: Hear, hear.

Mr. Macquarrie: The United States is not above reproach but anyone, especially in the Soviet Union, who reflects upon the state of the borders with that country and its neighbouring states, and reflects upon the many generations of our peaceful, open border with the United States and makes the suggestion that it is necessary to call in the Soviet Union to sustain us from the pressure of the economy, culture and military—I use the word "military" as it was used in the report from which I read—is again making a contemptible, unworthy, improper and totally unrealistic statement.

Some hon. Members: Hear, hear.

Mr. Macquarrie: As I said, the lyrical Lynch saw the Prime Minister calling in the old world to redress the imbalance of the new, recalling the great George Canning. Charles Lynch also said of the protocol:

That may be one way of saying that Canada can have Washington's cake and eat Moscow's caviar, with Peking's duck as a main course.

To this suggestion, Mr. Speaker, I reply, that is quite a meal if you can get it.

Mr. Crouse: All we have is a goose.

Mr. Macquarrie: How significant in the field of international affairs is the protocol? What does it mean to public relations between the two signatories and other states which have important international commitments? It is in this area we face a great problem. Is this grandstanding, is it windowdressing, or is it something else again? I looked for some quotation from the Prime Minister and I came up with something very reminiscent of Humpty Dumpty, as quoted in the *Globe and Mail* of March 21:

But Mr. Trudeau himself said that the protocol will be what the two countries choose to make of it.

• (12:30 p.m.)

But what do we mean? Is this another development on the international scene of the famous grandstanding techniques which were so long successful in this country domestically? Is it another case like the great Commonwealth initiative which was to have saved the Commonwealth at the Singapore meeting, but which was in ashes and ruin almost before the Prime Minister returned to Canada to read his own press releases concerning how well he had done.

An hon. Member: Read the paper and find out the truth.

An hon. Member: Or make your own speech.

Mr. Macquarrie: Or is this something fundamental? Is this an important and historic agreement? I say if it is it is outrageous that it should be entered into through the back door, through secrecy and without reference to the Canadian people or before discussion in Parliament.

Some hon. Members: Hear, hear.

Mr. Macquarrie: If this is important, if this is a watershed, if this is a great triumph in touristic statesmanship, then it has been very badly handled. The people shoud be consulted. This government has not made many moves in the field of foreign affairs. Usually, it reveals the withdrawal syndrome reminiscent of the 1930's and Mackenzie King. In its few moves in the realm of foreign affairs, this government has been distinguished for its unilateralism. The dropping of the Commonwealth sugar rebate in the Caribbean is one example of this. But if this is an important document, it should not only have been preceded by consultations here or followed by consultations here but also with consultations with our allies who are very much involved.

Some hon. Members: Hear, hear.

Mr. Macquarrie: One is beginning to be concerned about the place of our friends of long standing and the priority of values in this government's foreign policy. One wonders why the head of the Canadian government,

so ready to go to far away places with strange sounding names, has so little interest in on the on-the-spot conversations with the leaders of Great Britain, West Europe or the United States. Is it now thought that these areas are of diminishing interest or concern for Canada or for the people of the world? I fear that the people of this country must be among the first to suffer because of the downgrading of our interest and concern for West Europe and Britain.

The government, despite constant warnings by the Leader of the Opposition (Mr. Stanfield) and others, has not made meaningful adjustments to the likely trade outcome of Britain's entry into the European Common Market. The flurry of last minute interest by ministers would almost lead one to believe that they first heard about the British contemplation the week before last. Perhaps history may judge that the Prime Minister of Canada might better have been in Brussels rather than in Tashkent or even Samarkand. This House has taken up for discussion this day a matter of international concern because the government did not choose to make its secret document a subject for House discussion. We were without access to its contents beyond the mere statement which has been tabled. We do not have the information necessary to judge all its ramifications. So we face an important document in a very casual way. But we can, without hesitation, deplore the method whereby this protocol was adopted. I should like to say, Sir, that the denigration of Parliament becomes no more acceptable just because it becomes more and more common as month follows month.

Now, of course, any improvement in our contact with the Soviet Union and its people is welcome. I was not one of those who relished the brittle era of the cold war, nor would I aid or abet any of those who would wish to return to the narrow and rigid diplomacy of that period. Of course, we welcome detente. I was proud to be a supporter of the government of the right hon. gentleman from Prince Albert (Mr. Diefenbaker) in its great extensions of trade, not only with the Soviet Union but with the Peoples Republic of China, which I believe had profound effects for good not only in this country but in the other countries as well. There is no reason there cannot be fruitful discussion with the government of the Soviet Union, but this must not be at the expense of others upon whom in the final analysis we must depend for such security as is vouchsafed to anybody in this insecure world of tension and trial.

Some hon. Members: Hear, hear.

Mr. Macquarrie: I would say again that we must be ever watchful lest the postures of popularity leads us away from the perceptions of reality. We are anxious to appear open-minded. Nobody wants to be called a red-baiter or narrow-minded nowadays. We must also always be broad in outlook. In fact, it is dangerous to oppose anything that is considered different. But in all this, we cannot forget the realities of the world situation. There was the event in Hungary in 1956. There is the Berlin wall; we did not build it and the United States did not build it, neither did Great Britain build it. All of us here can remember the grim tidings of that summer morning in 1968 when that proud little country Czechoslovakia was brutally crushed and its flourishing new socialist freedom was obliterated. We cannot forget that the Baltic States are in thrall. These are people who had aspirations and hopes for development and countries which, for brief periods, flourished as sensitive democracies.

Can we ignore the plight of the Soviet Jew? Is there not an extension of Russian naval strength in the Mediterranean, in the Red Sea and in the Indian Ocean? Was there not such a thing as the Brezhnev doctrine announced a while ago and was it a pleasant thing to contemplate for those who knew of its dangers. In our desire for scientific talks and for ameliorated conditions let us not be totally bemused by the jubilation of the visit and the social harmony of the situation. Let us not forget to ask whether or not the hard questions were discussed. Were there really serious discussions about the deprivations of the fishery on the east coast which affect the livelihood of many decent Canadian people who make their living from the sea. Were there meaningful discussions about the future of the captive peoples? When the right hon. member for Prince Albert was the Prime Minister of this country, the Canadian delegation to the United Nations General Assembly took up the question of the people who were held in bondage by the Soviet Union. Should these things be forgotten? I hear very little reference to this in the House. Just because freedom is long suppressed it does not mean this issue should be forgotten.

• (12:40 p.m.)

What of the Ukraine? How fully was that situation discussed? What about the fishing in the troubled waters of the Middle East and the involvement there? There is a long list of serious matters which will remain on the table after the banquet hall is cleared and the guests have departed. Even a small contribution to the solution of some of these problems would be infinitely more valuable than grandiloquent exercises in self-congratulation on ephemeral accomplishments in an attempt to claim that, by one stroke of a prime ministerial pen, the world has been turned upside down and new eras have been entered into and old values kicked out.

I should like to say in conclusion that if this protocol is as important as designated by the Acting Prime Minister, then it should properly have been presented to Parliament and to the Canadian people as an important document rather than taken secretly out of the brief case and flourished before the people of the Soviet Union.

Some hon. Members: Hear, hear.

Mr. Macquarrie: If it is more public relations froth, it should not be deceptively presented to the Canadian people with over-exaggeration as to its import. I say to the government that on a question of such vital and

sensitive consequence, they had better be careful to present this to the Canadian people for what it is and for nothing more.

Some hon. Members: Hear, hear.

Hon. Mitchell Sharp (Secretary of State for External Affairs): Mr. Speaker, as the hon. member for Hillsborough (Mr. Macquarrie) said, I welcomed the action of the opposition in putting this motion on the table on one of the opposition days because I was very anxious to find out what views the opposition might have on the protocol that had been signed by the prime ministers of Canada and of the Soviet Union. I listened with great interest to what the hon. member for Hillsborough had to say, and I must say I remain very confused as to the views of the Official Opposition on the subject that they have raised.

Some hon. Members: Hear, hear.

Mr. Sharp: At one point I began to be encouraged when I listened carefully to the phrases near the conclusion of the very witty and good speech of my hon. friend. It seemed to me that he said—I think this is the position of the Official Opposition, and if it is not, perhaps I can be corrected—that he favours this protocol. I think that was the position he took. He then went on to try to get on the other side of the subject, if he could so that those in his party who oppose the protocol could say that he had in fact not endorsed it. However, perhaps the party itself can clear up its own confusion.

So far as the government is concerned, it is strongly in favour of this protocol. Indeed, one of the principal reasons it is in favour is exactly the reason put forward by the hon. member at the conclusion of his speech when, in speaking about the trip of the Prime Minister (Mr. Trudeau) to the Soviet Union, he said that there will remain on the table problems of great importance. That is precisely the reason it is important that we should have improved methods of consultation with the Soviet Union. That is why I have no question in my mind about this protocol, its purpose and what it will do to the future. As for the comments that the hon. gentleman has made about what the Prime Minister said in the Soviet Union, of course the Prime Minister himself will deal with these questions.

Let me direct my attention to the terms of the motion itself which says that we should have brought this protocol before the House of Commons for discussion before it was signed by the Prime Minister. As the House knows, it is clear under our constitution that the power to make arrangements with other nations resides in the Crown, that is to say, in the government. I do not believe there is any dispute about it, and my hon. friend proved that fact. It has always been Canadian practice to table documents of an important nature in the House as soon as it may conveniently be done. In this case, as hon. members are aware, the protocol was tabled on May 20, a day after it was signed in Moscow. This protocol envisages consultations on a wide range of issues between the government of Canada and the Soviet Union. It does not stand alone, but is the latest in a series of arrangements for consultation entered into by successive Canadian governments, of which one of the first was with one of the great powers referred to by the hon. member for Hillsborough, namely, the United States.

Let us look at what happened on that occasion. That was entered into in 1953 by an exchange of notes between the two governments. I do not think that hon. members question the importance of that document. If I had been the secretary of state for external affairs at that time, I would have referred to it as an important and historic document, exactly the words that I used the other day with respect to the protocol for consultation with the Soviet Union. I do not think that hon. members either will question the value to Canada of this joint committee which, with few exceptions, has met annually to discuss matters of substance. There was no debate whatever in the House of Commons prior to the exchange of notes. It was reported to the House, as I have reported on behalf of the government, the signing of the protocol with the Soviet Union.

Now, I come to one that is perhaps of even more significance in the light of the fact that the Official Opposition has taken exception to the procedure that was followed. I refer to the Canada-Japan Ministerial Committee which was established on June 26, 1961 by the government of which the right hon. member for Prince Albert (Mr. Diefenbaker) was the prime minister. This committee has met regularly since and has proved to be a valuable instrument in the conduct of relations with our neighbour to the west. Indeed, among the instruments that provide for consultation, and we have very few of these, this was the second to be established. It was also an historic and important document. In this case, there was not even an exchange of notes. The committee was set up and a joint communique issued in Ottawa by the right hon. member for Prince Albert, then prime minister, and Mr. Ikeda, then prime minister of Japan. They did not even sign a protocol; they issued a joint communique. The most careful perusal of the official record fails to disclose that the right hon. member for Prince Albert found it necessary or appropriate to consult Parliament before taking action.

Some hon. Members: Hear, hear.

Mr. Sharp: Arrangements of this kind are enabling in nature and do not necessarily impose obligations upon either side. A Mexico-Canada Joint Committee was established by exchange of notes on November 22, 1968, without prior debate in the House. I bring these facts to the attention of the House because they show the flexibility that is possible within these arrangements. In fact, the joint committee that was established has not yet met. This does not suggest that the government does not attach great importance to our relations with Mexico or that the committee will not meet. As a matter of fact, I expect that it will meet this year, but it has been a matter of convenience and therefore these kinds of

arrangements are very flexible. They are as useful as we want to make them. In effect, it is for this that these arrangements provide.

As I have suggested, the form used to establish arrangements of this kind can vary depending upon circumstances. Informal consultative arrangements also exist with France. We have a commission mixé. These arrangements were brought into being without any written exchange and without debate in the House, and have proven no less useful and effective for those reasons.

• (12:50 p.m.)

I do not intend to rehearse today the circumstances in which all our arrangements similar to the Canada-U.S.S.R. Protocol were worked out. In addition to those I have dealt with, we have consultative arrangements with Britain, Australia, New Zealand and Tunisia. In no case was any of these arrangements reached after debate in the House.

It cannot be argued that the signing of the Protocol augurs any change in the direction of our foreign policy. The Prime Minister has stated publicly in Moscow that Mr. Kosygin signed the Protocol in the full understanding that Canada intends to continue its full membership in the North Atlantic Alliance and as a close ally of the United States in the defence of North America. The Prime Minister and I on a number of occasions have stated in this House and elsewhere Canada's firm intention to increase its bilateral contacts with the nations of Eastern Europe. A definitive statement of government policy on this matter is there for all to read in "Foreign Policy for Canadians."

The North Atlantic Alliance, in its search for detente, has urged upon its members, including Canada, the advantages to be gained by the multiplication of contacts and consultations between its members and members of the Warsaw Pact, so that far from doing anything that is suspicious to our allies we are in fact carrying out what has been decided upon as sound policy in the interests of promoting peace and stability in the world.

In this connection hon. members will recall that a protocol providing for consultations on a wide range of issues was signed in Moscow last October by President Podgorny of the Soviet Union and President Pompidou of France, one of our NATO allies. And apropos of the point made by the hon. member opposite that we did not consult with our allies in advance of our signing this Protocol with the Soviet Union, I can assure the House that France did not consult her allies before signing that protocol with the Soviet Union. We took no exception to it. We welcomed it, and I hope that today the hon. member has welcomed our signing a similar protocol. I know that our Protocol with the Soviet Union will be welcomed by our allies as carrying out a firm and declared policy of NATO.

The development of Canada's bilateral relations with the Soviet Union has been steady and positive, although there have been a number of setbacks. After the euphoria that characterized the immediate post-war period our relations might have been described as correct. The cold war thawed briefly in the period 1955-56 and a trade agreement between Canada and the Soviet Union was signed at Ottawa on February 29, 1956. This was followed by a visit to the Soviet Union by the right hon. Lester B. Pearson, then Secretary of State for External Affairs. This was the first visit made by a Canadian secretary of state for external affairs to the Soviet Union.

The present phase of our relations with the Soviet Union can be said to date from 1965 which saw the first academic exchanges and the first posting of Canadian newsmen in Moscow. These moves stemmed from the first large sales of Canadian wheat, from the détente arising from the settlement of the Cuban crisis, and the signing of the test ban treaty. Continuing wheat sales and the growing Soviet need for western sources of technology encouraged the Soviet Union to seek closer relations and wider exchanges, cultural, technological and scientific, with Canada. Soviet participation in Expo 1967 brought Deputy Premier Polyansky to Canada in 1966 and 1967. A number of other Soviet ministers also visited Expo 1967, as did some 6,000 other Soviet citizens. In the same year Senator Martin, then Secretary of State for External Affairs, visited the Soviet Union, as did other ministers.

The Soviet Union, after the freeze in east-west relations brought about by the invasion of Czechoslovakia, moved quickly to re-establish contact with a number of western countries, including Canada. In July, 1969, Mr. Gromyko, the Soviet Foreign Minister, stated that:

> The Soviet government attaches substantial significance to our relations with Canada. In recent years, a widening of mutually beneficial links have developed in the economic, technical, scientific and cultural fields—

Mr. MacInnis: Would the minister accept a question?

Mr. Sharp:

> —and a good basis laid for political contacts between our countries. We are for a further development of relations with Canada.

Mr. Speaker: Order, please. The hon. member for Cape Breton-East Richmond seeks the consent of the minister to ask a question at this time.

Mr. MacInnis: I wonder if the minister realizes the synchronization between himself and the three members in the gallery was slightly off on the turning of that last page. One fellow was a little slow.

Mr. Sharp: Mr. Speaker, I compliment the hon. member for Hillsborough. His witticisms were far superior.

Mr. McBride: That isn't hard.

Mr. Sharp: This was closely followed by Mr. Gromyko's visit to Ottawa in October, 1969. This visit gave

renewed impetus to negotiations toward the Agreement on Co-operation in the Industrial Application of Science and Technology, signed on behalf of Canada by the Minister of Industry, Trade and Commerce (Mr. Pepin) in January of this year. Canada has responded and is continuing to respond to these Soviet initiatives carefully, after due thought, and in pursuit of our own national aims and objectives.

At the same time we have not hesitated to let the Soviet Union know, in the clearest possible terms, when we disagree with them. This was done, for instance, in the cases of the invasions of Hungary and Czechoslovakia and the trials of Soviet Jewish citizens in Leningrad. Hon. members should not assume that consultative arrangements like the Protocol are useful only with nations with whom we are basically in agreement. Indeed, they can be more useful where there are fundamental disagreements. By signing this Protocol, Mr. Kosygin has indicated Soviet willingness to discuss with us matters of Soviet policy that may be causing us trouble and distress.

This review of the development of Canada-U.S.S.R. relations since the war has been sketchy and selective. It is not my purpose today to give a history lesson, but to remind the House that despite setbacks there has been a steady, if slow, improvement in our contacts with the Soviet Union. The House knows this. It is difficult for me to understand how hon. members opposite can suggest that the signing of a protocol providing for more systematic consultations is a sudden act, a surprise to them, or a departure rather than a development in east-west relations.

Although it is an important and historic development, as I have said, we share some very basic concerns with the Soviet Union. As the two principal circumpolar powers we both have a special responsibility for the Arctic. We both have endless tracts of tundra, rich in mineral resources but presenting developmental and ecological problems of the greatest magnitude. In this area there is a great deal that we can learn from the Soviet Union. In the field of technology and secondary industry there may be something they can learn from us.

It is not by an accident of history that Canada has entered into a series of arrangements for consultation in the last decade. It is the working out in practice of the new dynamic diplomacy that has been made possible by the great development in the means of communication. Ministers and officials of governments need no longer rely only on written and telegraphic communications; they can meet regularly, at short notice, and discuss face-to-face problems of bilateral or worldwide concern. It is my hope, Mr. Speaker, that in this new era of dynamic diplomacy we can avoid the misunderstandings and miscalculations that in the past have led to global conflicts.

Mr. Speaker: Order, please. It being one o'clock I do now leave the Chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

REGIONAL DEVELOPMENT

REGULARITY OF TABLING OF THIRD REPORT OF STANDING COMMITTEE TO HOUSE—RULING ON POINT OF ORDER

Mr. Speaker: Perhaps hon. members might want me to refer at this time to a point of order raised earlier today by the hon. member for St. John's East (Mr. McGrath). I appreciate that the hon. member is not with us at the moment, although he was in the House until the last minutes of this morning's sitting. Because of the urgency of the matter to which he referred in the course of his submission to the House, I thought I should give my ruling at this time before we resume debate on the motion now before the chamber.

The hon. member for St. John's East rose on a point of order in relation to proceedings on the estimates of the Department of Regional Economic Expansion in the Standing Committee on Regional Development. The hon. member suggests that there was some impropriety in appointing members to a standing committee after that committee was seized of his motion, and that the naming of members in that way was an abuse of Standing Order 64 (4) (b).

If the hon. member's proposition is valid, I suggest that it would be exceedingly difficult to ever effect a change in the membership of a committee. It does seem to me that there are innumerable occasions when a question is under consideration in a committee, on a continuing basis, from one meeting to another; indeed I am reliably informed that some committees sit for weeks on the same question. If this is the case, as I believe it is, then it would seem to be most impractical for the House to adopt the position that the membership of committees should not be altered while a motion is under debate or under consideration in the committee.

The hon. member also went on to suggest that a vote could not be taken in that committee because the bells had begun ringing to call members to the House for its daily sitting at two o'clock in the afternoon or at 11 a.m. on a Friday. I am wondering whether that suggestion will bear up in view of the provision of section (8) of Standing Order 65 which provides that standing Committees may sit while the House is sitting. It may be that the hon. member's point is to the effect that a quorum was not present when estimate number (1) of the department in question was carried in the committee. That is a very difficult question for the Chair to decide with the particulars now at hand. It does seem to me that the question of a quorum should have been resolved in the committee and I might point out that the hon. member has stated that he, himself, withdrew from the committee.

It may be that the report in question could be returned to the committee, but there is the question whether any useful purpose might be served in doing so. Hon. mem-

bers know that, pursuant to the provisions of section (14) of Standing Order 58 all estimates will be deemed to have been reported back to the House in any event not later than next Monday. At any rate, I suggest that our supply proceedings provide other opportunities to bring under review either the report of the committee or vote number (1) of the Department of Regional Economic Expansion.

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BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—REFUSAL OF GOVERNMENT TO HAVE U.S.S.R.-CANADA PROTOCOL CONSIDERED BY HOUSE

The House resumed consideration of the motion of Mr. Macquarrie:

That this House regrets the refusal of the government to bring before the House for consideration and decision the U.S.S.R.-Canada protocol in order that all aspects of this relationship can be considered before implementation.

Mr. Speaker: When the House rose at one o'clock the hon. Secretary of State for External Affairs (Mr. Sharp) had the floor and I believe he still had a few minutes of his time left. I see he now indicates that he had completed his remarks. The Chair will recognize the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, Shakespeare had a title for one of his plays which I think characterizes this debate, "Much Ado About Nothing".

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): Indeed, I am tempted to use a modern expression and say to my friends of the official opposition as well as to those on the government side of the House, "Cool it".

When one examines the motion that is before us, although it is couched in certain technical terms, it boils down to a complaint against the government for the steps the Prime Minister (Mr. Trudeau) has taken in trying to establish friendly relations with the Soviet Union. I suggest, Mr. Speaker, that if there is one thing we need in this world, it is all the bridges we can build between and among our various peoples and nations. There is really no place for a sophisticated form of red baiting. There is no place for decrying the attempt to establish good relations with people in any part of the world.

• (2:10 p.m.)

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): The technical wording of the motion which is before us in the name of my good friend, the hon. member for Hillsborough (Mr. Macquarrie), is to the effect that Parliament should have had a chance to consider and make a decision on the so-called protocol which the Prime Minister (Mr. Trudeau) of this country and Chairman Kosygin signed in Moscow a few days ago. The hon. member for Hillsborough and I are strong advocates of Parliamentary supremacy and the responsibility of the executive to this House of Commons. However, I think that principle has to apply when there is something of substance. I ask the hon. member for Hillsborough and the members on the government side, what substance is there in the protocol that the two gentlemen signed in Moscow and in the lengthy joint communiqué, a copy of which was tabled in the House this morning?

The hon. member for Hillsborough referred to a statement made many years ago by Mr. King concerning Parliamentary supremacy in these matters. I listened to that statement. It clearly referred to any documents or agreements dealing with any kind of substance. In my view, there is nothing in either the protocol or the communique. It is like a couple of juveniles who met at a summer camp and who decided to be penpals and write letters back and forth. To make a big fuss and suggest it should not be done without a prior debate in Parliament, is using this day in a less useful way than has been the case with some of the motions that my friends to the right have brought before this House of Commons.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I welcome the applause from the government side of the chamber for the friendly remarks that I have been addressing to my associates on this side of the House.

An hon. Member: And now you are associates.

Mr. Knowles (Winnipeg North Centre): Associates in the sense that they are fellow members of the opposition. I hope I will get the same kind of response from the goodly band of Liberals we see here this afternoon. I would like to think they came in to hear me speak.

Mr. McBride: That is the reason.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): The applause makes me hope that maybe that is true, but there is a rumour that the Prime Minister is coming into the House.

Some hon. Members: Hear, hear.

Mr. Baldwin: He is in the pressure tank now.

Mr. Knowles (Winnipeg North Centre): I suppose that rumour has something to do with the attendance of such a large number of Liberals on a Friday afternoon.

Mr. Woolliams: Nineteen is quite a few.

Mr. Knowles (Winnipeg North Centre): There are many remarks being made, some of which I am getting and some of which I am not. Perhaps I had better move on. I say to the Liberals that they are just as guilty of making a big fuss over nothing when they think this protocol is a forerunner to the millennium as are my friends in the Conservative party in thinking that it spells some sort of doom.

Mr. Sharp: We never claimed that.

Mr. Knowles (Winnipeg North Centre): My friend, the Secretary of State for External Affairs (Mr. Sharp), who is no longer Acting Prime Minister, shows his sense of relief. He says "We never claimed that". I suggest that the sorts of things he has been saying in reply to questions in the past few days, and the kinds of statements we have been getting from the press and will get from the Prime Minister this afternoon are along that line. Maybe it is not the millennium, but the Liberals think that somehow the world is going to be better because of this historic, important document.

Some hon. Members: Hear, hear.

Mr. Knowles (Winnipeg North Centre): I wonder whether Your Honour has had time to read either the protocol that was signed in Moscow or the communique that was tabled this morning. I read each of them two or three times to try and find something in them. As I said, it is like a couple of juveniles who became friends at a summer camp and said to each other "Let's keep on being friends. Let's be penpals. Let's write back and forth and agree to meet each other sometime in the future." This protocol really amounts to nothing more.

There is no change in foreign policy on the part of the Canadian government implied in these documents. There is certainly no change in the foreign policy of the Soviet Union in either of these documents to which Premier Kosygin is apparently a party. They are just expressions of how important our two peoples are, how our problems are alike, how nice it would be to consult with each other if there is any problem which concerns us both and how nice it would be if we would do our part to strengthen the United Nations and make for a more peaceful world.

I had the privilege of visiting the Soviet Union in 1946, 25 years ago. They did not give me the same kind of red carpet treatment which they gave the Prime Minister.

An hon. Member: Just a pink carpet.

Mr. Knowles (Winnipeg North Centre): They treated me courteously and cordially. Mind you, it was rather a dramatic experience. While I was in the Soviet Union in February, 1946, the news about the Gouzenko situation came out in Canada. The warm hospitality which I had enjoyed for two or three days was suddenly interrupted. On a certain day, there were no guides to take me anywhere. I had to walk around Moscow and ride the subway by myself. In any event, I was impressed by the friendliness and how much the Soviet Union is like Canada, especially in February. Moscow and Winnipeg in winter, la même chose. I returned from that trip, which was before the cold war really got going, feeling that there was value in having friendly relations with that country and in trying to develop those relations. On March 19, 1946, I stood in my place in this House and suggested to the then Prime Minister, Mr. King, that he should visit Moscow in order to receive the same kind of friendly reception. Nobody thought the world would come to an end because I suggested that kind of friendliness. I am not trying to say that very much came of it. The only reason I mention that trip, the plea I made for friendship and how little came of it, is that I do not think there is much more before us at the present time.

I say to my friends on both sides of the House, don't get too excited. It is a Friday afternoon. If we do not want to do anything very heavy or serious, it is all right to have this discussion. I say this in particular to the Progressive Conservative members who may follow later in this debate. Please do not indulge in red baiting and please do not complain about building bridges of friendship. I say to those on the government side of the House, if you want to do something constructive in the field of foreign relations, you will have to do a lot more than has been done during this week's Cook's tour of the Soviet Union.

The rumour about the Prime Minister coming in this afternoon is interesting. I do not intend to try to keep speaking until he gets here. In any event, I am under a time limit. If the Prime Minister does come, I hope he will not just rehash what is in the communique. I hope he will not just give us a travelogue and tell us how much he enjoyed the friendliness and so on. I hope he will tell us whether there were any discussions about the Berlin wall, the problems relating to fisheries and whether there were discussions with Premier Kosygin about the trials and persecutions of Jewish citizens in the Soviet Union. In other words, let us deal with a few concrete things. I hope he may tell us what progress was made in terms of furthering disarmament and also in terms of what kind of contribution we might make, our two countries and any others, toward strengthening the United Nations as an instrument for world peace and human accord.

• (2:20 p.m.)

An hon. Member: That is what you are going to hear.

Mr. Knowles (Winnipeg North Centre): The hon. member across the way says that is what we are going to hear. Normally on a Friday attendance in the House dwindles. Sometimes we get below a quorum and have to wink at it. Well, this afternoon there is the prospect of the Prime Minister coming in, and there is also the prospect of the right hon. member for Prince Albert (Mr. Diefenbaker) making a speech. It promises to be a good afternoon in terms of histrionics, in terms of the dramatic. But if the government wants Canada to play a constructive and vital role in external affairs a lot more is called for than the kind of trip which the Prime Minister, Mrs. Trudeau and the members of his party have just made.

Something really substantial should be done to play our part in the bringing to an end of the war in Viet Nam. Serious attention should be given to the situation now facing the world in East Pakistan or Bengla Desh. It was good to hear the announcement this morning that there would be a contribution of $2 million made toward aid and relief for those who are suffering because of the civil war but there is a festering sore there which will require a political solution. We have got brains in the Department of External Affairs. I suggest the govern-

ment put those brains to work on a problem of that kind instead of using them on these various Cook's tours.

There is also the whole question of the situation in the middle east and the terrible need by all parties in that area, the people of Israel, the Arabs and the refugees who are lost in between, to gain the confidence of countries like Canada and other countries in the world. Let us put our efforts into that. There are plenty of solid questions which call for solution and it is these things about which the government should be concerned. I wish the hon. member for Hillsborough had been himself today and put down as an external affairs motion one calling upon the government to pay attention to the real and solid problems.

I turn, now, to some observations I have been saving until the end of my remarks in case the Prime Minister came in. Of course, if he did come in there would be such a round of desk-pounding that I should probably not be heard. If the right hon. gentleman wants to express the view that there is too much domination of this country by the United States, I would agree with him. However, I think the place to say so is here or in the United States rather than in the Soviet Union. Now that he has broken the ice and has said it I hope he will say it back here as well as in the United States if on his next foreign visit he goes to that country.

I also wish to complain about some of the indiscreet statements the Prime Minister made while he was in the Soviet Union. If he made a statement in Kiev that the government of this country was like the government of the Soviet Union, I suggest this was not only an offence to many Ukrainians in this country, but an offence to us. It may be the Prime Minister is trying to make the government of this country like the government of the Soviet Union—perhaps that has just leaked out—but in any case I suggest it was an indiscreet statement.

If the Prime Minister comes in this afternoon he will get the floor. There will be lots of applause. He will get the press on today's debate and nothing anybody else says will be heeded at all. But I hope he will give us not just a travelogue, not just reminiscences of how delightful it was to be at the Bolshoi or at Samarkand. I hope he will tell us about some of the real, solid issues he discussed with Chairman Kosygin. I hope he will tell us that he is now prepared to give this country leadership in tackling some of the real problems which have to be solved if our world is to be held together.

[*Translation*]

Mr. C.-A. Gauthier (Roberval): Mr. Speaker, it gives me pleasure to make a few remarks on the motion moved this afternoon by the Progressive Conservative party, and which reads as follows:

> That this House regrets the refusal of the government to bring before the House for consideration and decision the USSR-Canada protocol in order that all aspects of this relationship can be considered before implementation.

Mr. Speaker, this famous protocol had not caught my attention in any particular way, because knowing the Prime Minister (Mr. Trudeau), I was aware that in the course of his journeys to India and the USSR, he would tend to sign all kinds of papers and agree to all sorts of things which may not have any great substance, just through tactfulness. This is somehow the impression I had gathered from this protocol.

[Mr. Knowles (Winnipeg North Centre).]

• (2:30 p.m.)

But upon considering the motion thereon, I realize that the Progressive Conservative party may have given too much importance to the protocol unless the responsibility lies with the press. Indeed, with this government you always come to learn of the ministers' statements through the press which often says a few words too many.

The May 20 edition of Ottawa's *Le Droit* mentions a new Soviet-Canadian agreement. They should have written "protocol on consultations" and not a formal agreement on principle as the one signed with Red China. In my view, it is merely an arrangement providing for consultations on the best way to live together as good neighbours. We cannot ignore the fact that we are living between two giants—the Soviet and the American. The question is: Who will be the first to swallow us?

Being a small country, I think we should better go at it intelligently. From what I read in *Le Droit* it would seem that consultative meetings will take place frequently. The article goes on to pinpoint the objectives of the protocol, and I quote:

> The protocol of agreement provides—

—well, I do not like the word "agreement" here—

> —for close co-operation between our two countries in areas such as pollution control in the Arctic, northern development, science, technology and culture.
>
> Both governments would now proceed to rapid exchanges of views in case of a world crisis, to see what could be done to improve the situation. As regular contacts are foresen, the agreement states that the Foreign Affairs ministers or their representatives will meet if need be and, in principle, once a year.

Further on one can read the following:

> Although the Soviets had dismissed the idea of their eventually participating in an international conference on Arctic pollution, put forward by Mr. Trudeau, it is believed the Canadian Prime Minister let Mr. Kosygin know that the Ottawa government had appreciated the Kremlin's understanding attitude last year when Canada unilaterally decided to control water pollution 100 miles off the Arctic archipelago.
>
> The Soviet attitude in this respect is that Canada and the USSR obviously have in that part of the world responsibilities and special rights other countries should recognize.

Mr. Speaker, if a group of Canadians and the Department of External Affairs are able to influence in any way the Soviet government, in trying to enter into certain friendly agreements, in short, if the government could succeed in establishing a genuine dialogue with the Soviet Union, a further step toward world peace would have been accomplished. However, I rather doubt it will succeed because considering the Russian government attitude toward all the countries which placed confidence in it we can rightly doubt its sincerity.

When one considers the situation of the countries dealing with Soviet Union, particularly after traveling through Germany and seeing how the Soviet Union has signed friendly agreements by such means as the Berlin "Wall of Shame" for instance, I think one can rightly contend that the Soviet government alone has had the nerve to undertake such a monstrosity in the twentieth century.

As I said earlier, this is why our government should be most careful before negotiating with a country such as the Soviet Union since a country should always be judged by its past and that of the Soviet Union is not quite reassuring in the light of what happened in Hungary, in Poland and in all the other countries which have had dealings with it.

I think—

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Should you be judged by your past? You were a Conservative before being a Creditiste.

Mr. Gauthier: I beg your pardon? Mr. Speaker, we were speaking of relations between countries and not between individuals. Someone is asking me personal questions. This is not our subject at the moment. I will not be diverted from it and I only want to make a few remarks without directly blaming the government. This is only a warning because we must be careful. In *Le Devoir* you can read, and I quote:

Trudeau might displease U.S.A.

Earlier I mentioned two giants. I keep on quoting:

Canadian Prime Minister Pierre Elliott Trudeau might displease the United States and his other Atlantic alliance partners in his efforts to reinforce the Ottawa-Moscow relations. This is what some Canadian leaders hold.

But, they add, Trudeau considers political risk a necessity for Canada which must assert its independence against the almighty influence of Washington.

During a press conference in Moscow last Thursday, the Prime Minister stated that his strategic "diversification" of political contacts was necessary to overcome the overpowering pressure of the United States on Canadian business.

The United States is Canada's most important trade partner and probably exert on it the most powerful cultural influence. Both countries also have concluded a mutual defence agreement within the North Atlantic Treaty Organization (NATO).

Several trade interests in Canada belong to American corporations.

The Canadian people are quite aware of this situation. Trudeau wants to do something about it. More than ever, Canada carries on commercial exchanges with communist countries. Last year, Trudeau established diplomatic relations with communist China, against the wishes of the United States. He also withdrew Canadian troops from NATO Command.

These matters are quite thorny. The Prime Minister, for instance, suggests that he will invite the Soviet Union to reduce the size of its troops in Europe, while Canada has already begun such a move. The Soviet Union, as always, puts forward a beautiful image, says that it will try to do it but does nothing. It will keep its troops in Europe as long as a single American or other soldier remains in Europe.

This is why I stated at the beginning that we should distrust the Soviet Union while trying to gain its confidence, but I think that in every field Canada should pay greater attention to the United States than to the Soviet Union. We must realize that we are in North America and not in Siberia. Our normal relations must be on the North American continent.

This is why we feel that this debate on the protocol deals with an agreement which is not definitive nor concrete. It is only an act of courtesy by the Prime Minister in Russia as are the gifts made to all other countries at the taxpayers' expense. This is not too bad, if it can incite the Soviet government to hold a frank and sincere dialogue with Canada. This is specifically the aspect of the matter which interests us and we urge the government, when it will eventually have some discussions, to ask the advice of the House before signing agreements.

• (2:40 p.m.)

[*English*]

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I listened with interest and amusement this morning to the hon. member for Hillsborough (Mr. Macquarrie). His was an entertaining speech which had all the flourishes of a Shakespearean passage, and by the end of it I wondered whether it had not really turned out to be all sound and fury, signifying nothing.

Mr. Diefenbaker: Oh, get something new.

Mr. Gillespie: It was a speech that entertained rather than informed. But what did he say? Let us examine the record in order to see if we can find out what he tried to tell us this morning. Did he say that he is against information exchanges with the Russians? It seemed to me at one time he flirted with the idea. He approached the subject tentatively but he backed off before embracing it.

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

Mr. Gillespie: It seems to me that he came to a decision—

The Acting Speaker (Mr. Laniel): Order, please. Is the hon. member for Cape Breton-East Richmond (Mr. MacInnis) rising on a point of order?

Mr. MacInnis: Yes, Mr. Speaker, I rise on a point of order at this time to draw your attention to the fact that this House should not be subjected to this hon. member reading a speech again.

An hon. Member: Oh, sit down.

Mr. MacInnis: This is a practice he has followed in this House before. I trust that the Chair will keep him in order by not permitting him to follow a text prepared by somebody else.

Some hon. Members: Hear, hear.

An hon. Member: Throw your notes away.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Paproski: Table your speech.

The Acting Speaker (Mr. Laniel): This point has been raised many times in this House. While there is a Standing Order that prevents hon. members from reading speeches, it is very difficult to prevent members from referring to notes, as is done very frequently in this chamber. It is also very difficult for the Chair to rule on this point. The mere fact that this practice is brought to the attention of the Chair and hon. members on different occasions is, I think, a favourable reminder and of some use to the House and hon. members.

Mr. Baldwin: On that point of order, Mr. Speaker, I should just like to say that if the hon. member does read he should read scientifically.

Some hon. Members: Oh, oh.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Gillespie: Mr. Speaker, the intelligence level of the interventions is perhaps a good reflection of the amount of homework hon. members have done on this subject.

Mr. Danforth: Tell us who wrote your speech.

Mr. Gillespie: As I was saying in reference to the speech of the hon. member for Hillsborough, it seems to me he approached his subject with interest but at the critical moment he backed off. He was not prepared to really deal with the question: Are we against information exchanges with Russia? He suggested, I think to his discredit—he did more than that he insinuated—that in some way this protocol which Canada signed with the U.S.S.R. was downgrading the relationship between us and our good friends. I think this was contemptible and unworthy of him. I do not think he has to stoop to this kind of tactic in this House.

Mr. MacInnis: You are reading again.

Mr. Gillespie: I suggest, Mr Speaker, that his leader would not share his views. Let me read from some remarks his leader made, as reported in the press, about a year ago following a one week trip to Russia. Perhaps it is worth-while pointing out in this connection that Mr. Nixon, President of the United States, on an earlier occasion took only 10 days. I refer to an article by Robert Stanfield which appeared in the Ottawa *Journal* on Saturday, August 1, 1970, in which he said:

> There is, however, room for co-operation between us in such things as the exchange of information concerning this area—

He was referring to a recent visit he had made to the Arctic Institute in Leningrad. He went on to say:

> Beyond politics, questions of international trade patterns and Canadian-Soviet trade relations frequently come to the fore. I am convinced that the door is far from closed to imaginative and sustained Canadian activities in this field in the Soviet Union.

Some hon. Members: Hear, hear!

Mr. Gillespie: The Leader of the Opposition then posed this thought to himself, having stated that he recognized some means were necessary:

> —the U.S.S.R. and the western countries must work out a means of peaceful co-existence no matter what name we may choose to call it.

I suggest the protocol which was signed between Canada and the U.S.S.R. very recently is precisely the kind of means the Leader of the Opposition had in mind. The Secretary of State for External Affairs (Mr. Sharp), in his response to the hon. member for Hillsborough, challenged him to say that he or his party were not in agreement with the protocol. The hon. member for Hillsborough did not accept the challenge, so, we can only assume that he does accept the protocol to which I have referred.

Mr. MacInnis: You are reading again.

Mr. Gillespie: The question we must ask ourselves—

An hon. Member: At least you can read.

Mr. Gillespie: —is whether there is any language in the protocol which the hon. member does not accept? He has given us no evidence in his speech today that he repudiates any of the language of the protocol. Instead, he stated that in some way the protocol should have been presented to Parliament before it was signed. The Secretary of State for External Affairs made it quite clear in his remarks that there is ample precedent for signing protocols before presenting them to this House. In fact, he cited an occasion when the right hon. member for Prince Albert (Mr. Diefenbaker) was the Prime Minister and a protocol was arranged or signed between Canada and the Chinese.

Mr. MacInnis: And the Liberals called it criminal.

Mr. Gillespie: I would ask the right hon. gentleman, who I believe will be speaking in this debate shortly, if he would refute the fact that this protocol was not tabled in Parliament before it was signed.

Mr. Diefenbaker: Mr. Speaker, I rise simply to point out that there never was a protocol with China.

Some hon. Members: Hear, hear.

An hon. Member: Get your facts straight.

Mr. Gillespie: Mr. Speaker, I am sure the right hon. gentleman will have ample opportunity to elaborate on that point during his remarks.

Mr. MacInnis: You had to put that page away without reading it.

Mr. Gillespie: Let me clear up a point which may be bothering hon. members opposite as to what a Protocol actually is.

Mr. Diefenbaker: Oh, here we go.

Mr. Gillespie: It seems to me that it is an arrangement regularizing normal diplomatic intercourse.

Mr. Paproski: Shame, shame.

Mr. Gillespie: Mr. Speaker, the preoccupation of hon. members opposite is pretty obvious.

An hon. Member: It is an agreement or a declaration.

Mr. Woolliams: But he can't read.

Mr. Gillespie: A protocol is an important social exchange between two countries. This protocol provides an opportunity for Canadians, on the one hand, to learn something of the problems of a northern people and how to deal with them, and an opportunity on the other hand for the Russians to learn how we have dealt with some of our problems.

• (2:50 p.m.)

Mr. MacInnis: "So it says in my notes".

Mr. Gillespie: But more than that, one of the most important aspects of the protocol, of this relationship, is the opportunity it provides for the Russians to have access to the western point of view.

Mr. McIntosh: They have six spy rings now, or is it seven?

Mr. Gillespie: We have a number of common interests. We are a northern people and we have similar types of resource problems, as I understand it.

An hon. Member: Both have the American problem.

Mr. Gillespie: Some of my colleagues who were with the Prime Minister on his recent visit to Russia are in the House with us now. We welcome them back. We are pleased to see them and assure them that we followed their progress in Russia with a great deal of interest.

An hon. Member: How are things in the salt mines?

Mr. Gillespie: They will be able to speak at a later date from firsthand knowledge of the problems there, and how the Russians are or are not dealing with those problems. They will be able to speak from firsthand knowledge of some of the things the Russians are doing in Arctic navigation.

Mr. MacInnis: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member for Cape Breton-East Richmond rises on a point of order.

Mr. MacInnis: Mr. Speaker, I rise on a point of order because of the information given to this House on the Prime Minister's trip to Russia. When he was dealing with northern problems he referred to a point one hundred miles north of Montreal, Mont Tremblant.

The Acting Speaker (Mr. Laniel): Order, please. I should mention to the hon. member for Cape Breton-East Richmond that this point of order does not meet the requirements of the Standing Orders of this House. I think the Chair should say to the hon. member that, although the Chair appreciates the good mood of the House this afternoon, hon. members should not go so far as to prevent the member who has the floor from speaking.

Mr. Gillespie: Thank you, Mr. Speaker. I think another aspect of the common interest we have with the people of Russia is the native people of the north. We have Eskimos and they have Eskimos. They have other native peoples, namely the Chuck Chee. Perhaps the hon. member opposite might learn something if he listened.

Mr. McIntosh: If he listened to whom?

Mr. Gillespie: Mr. Speaker, they have a land which is under-populated. They have boreal forests. They have to deal with the question of permafrost. They have done such things as build dams in permafrost. I suggest these are things we as Canadians might learn from them.

I should like to refer to the recent report of the Senate committee on Science Policy for Canada, Mr. Speaker. At page 122 the report states that Canada spends about 2.5 per cent of the total research and development dollars of ten of the industrialized countries of the world. These are all OECD countries and do not include the U.S.S.R. The report goes on to say that we obviously cannot be self-sufficient in technology and we may not even be able to compete successfully in research and development programs that involve huge expenditures.

Obviously it is in the interest of Canada to gain what it can from the experience of others and to learn from the science and technology information of other countries. This is precisely what the protocol said. I shall quote from one of the preamble paragraphs:

> Endeavouring to improve and further develop relations between the two countries by means of high-level contacts, expanding ties and exchanges in the fields of economy, trade, science, technology, culture and northern development.

The preamble also "notes with satisfaction the conclusion of the Soviet-Canadian agreement on Co-operation in the Industrial Application of Science and Technology, and the development of trade on the basis of the 1956 Trade Agreement". Mr. Speaker, various steps have been taken by this government and other governments to gain for Canada the advantages of the research and development of others. I should like to trace some of these in the few minutes remaining to me. In 1959, under the government of the right hon. gentleman opposite, the National Research Council formed an agreement with the U.S.S.R. Academy of Sciences. This agreement opened up for Canadian and Russian scientists an opportunity for exchange visits. Over a period of slightly more than ten years, more than 100 Canadian scientists have undertaken research projects in Russia and a comparable number of Soviet scientists have pursued their research work in Canada. The agreement signed by the then president of the National Research Council of Canada was renewable. I should like to read one particular paragraph of a letter from the president of the NRC dated October 28, 1959

addressed to the President, Academy of Science of the U.S.S.R.:

I suggest we commence the exchange with the 1960-61 academic year and agree to review the program after a complete year of operation.

That has been renewed since then. It covered fields of endeavour such as research into electrical engineering—I am speaking of the sort of thing the Canadian scientists did in Russian institutes and universities.

Mr. Diefenbaker: What year was that?

Mr. Gillespie: This is a sampling over a ten-year period.

Mr. Diefenbaker: What year are you quoting from?

Mr. Gillespie: A schedule of April 26, 1971 in respect of the NRC-U.S.S.R. Academy of Sciences Exchange Agreement. It covers, as I said, over one hundred Canadian scientists in genetics, electrical engineering, mining engineering, plant pathology, geological sciences, insect pathology, oceanography, metallurgical chemistry, earth science and so on. The point is that this was one of the first, and perhaps the first, regularizations, if you like, of contact between professionals in Canada and professionals in the U.S.S.R.

We have also signed similar agreements with France. One was an intergovernmental agreement signed in 1969. Another was between the National Research Council and Centre National de Recherches Scientifiques in Paris. There are agreements with Czechoslovakia and Brazil, again covering the area of science and technology. On no occasion were these agreements first presented to Parliament for ratification.

Mr. MacInnis: Still reading.

Mr. Gillespie: If the hon. member opposite is interested in learning the source of my material he should listen.

Mr. Mahoney: He better listen because he could not read it himself.

Mr. Gillespie: I have referred to intergovernmental agreements and agreements between the National Research Council and other agencies. I should like to now refer to an agreement which the Department of Energy, Mines and Resources made in 1965 on an interdepartmental basis with the State Committee of the U.S.S.R. Council of Ministers for Science and Technology. This is a letter dated June, 1970, written by the deputy chairman of the U.S.S.R. committee. I shall quote only parts of it. He says:

• (3:00 p.m.)

The State Committee of the U.S.S.R. Council of Ministers for Science and Technology considers it possible to extend the agreement concerning co-operation with the Department of Energy, Mines and Resources until June 23, 1975, and wants you to consider this letter as an official confirmation of the extension of the term of validity of the above mentioned agreement. It appears to us that if an intergovernmental agreement of scientific technical co-operation is to be concluded, the realization of the agreement between our committee and your department will be apparently carried out in accordance with the conditions of the general agreement between the Soviet Union and Canada.

There are many other agreements of a similar nature that I could mention. I could mention those with Atomic Energy of Canada Ltd., and there are several with countries such as Japan and Italy. There are others.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the parliamentary secretary, but his time has expired.

Right Hon. J. G. Diefenbaker (Prince Albert): Mr. Speaker, my first words are to congratulate my friend, the hon. member for Hillsborough (Mr. Macquarrie), for the manner in which he presented his views in connection with the matter before us. As I listened to the hon. member for Winnipeg North Centre (Mr. Knowles) discussing his regard for the United States, I could only come to the conclusion that the Waffle group has come very close to him.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: Then I listened to the hon. member for Etobicoke (Mr. Gillespie). I understand he was preaching for a cause, and for that reason he received a very warm welcome throughout the House for his remarks; indeed, it was so warm that it became necessary for Your Honour to ask for order because those who were listening to the speech the hon. member read wanted to keep up with the various pages as they were turned.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: We are here for the purpose of discussing a question having to do with our relations with the U.S.S.R. In all of us hope springs eternal. We can only hope that in the next few weeks, regard being had to what has taken place in the last three months, the U.S.S.R. has come to a position in which it has decided that in co-operation the world can continue in peace, and only by co-operation can peace be achieved. If it is sincere in the expressions that are being voiced by the two leaders of the U.S.S.R., then of course we are entering a new sphere of world peace and understanding.

I point out, however, as one who was in San Francisco in 1945 and came back to this House in November of that year and spoke of the foundation of the United Nations, that I was so wrong in the conclusions to which I had come. I believed that there had been achieved, in the United Nations Charter, agreement among those who had stood together during the days of war, and that never more—to paraphrase the words of Molotov—would dictatorship raise its head anywhere in the world, and that for all time to come the nations of the world which were joined in war would be joined in peace.

I can only hope that the straws of wishfulness in the hearts of mankind brought about what we hope are apparent changes in the winds of international affairs. But again, in the experience of 26 years of duplicity on the part of the U.S.S.R. in connection with its agree-

ments, we at this time must not become overly optimistic or overly hopeful that the millennium has been attained in international affairs. We hope for it and we can only look forward with anticipation, but we have to realize that in the last few months the U.S.S.R. has been increasing its military strength. Had I the time, I would give particulars in this regard. It is known, however, that they are increasing the number of sites for the launching of intercontinental ballistic missiles.

What is being done is contrary to every representation that is being made today by the leaders of the U.S.S.R. that they have indeed changed their view. Is this another detour on their part in order to lull us in the western world into a false sense of security, or does it indeed represent an about-turn on the part of the Kremlin to the end that peace in our time will be assured?

I followed the trip of the Prime Minister (Mr. Trudeau) with a great deal of interest. I read the accounts of some of the pressmen which led me to believe that only a Messianic arrival could possibly equal the effect of the visitation of the Prime Minister. I must conclude that two or three of those pressmen will not be ruled out for an early appointment to the other place, a place of rest. Today, in the members present on the government side of the House I can see the brightness in some of their eyes as they look forward in the next few days to the opportunity that has been provided by the passing of the legislation on government reorganization. They can see themselves in the position of being just outside the precincts of greatness in the very near future.

Some hon. Members: Hear, hear!

Mr. Diefenbaker: The Prime Minister is going to be here this afternoon. While my first name is John, and I am a Baptist, I will not go further in this regard.

I have been interested, as has the hon. member for Etobicoke, through the years in bringing about relationships between our country and other countries. He was kind enough—and I appreciate that fact—to refer to the agreement of 1961 made during the period of my administration. I appreciate his having done so. I have been tremendously interested in those who today look into the north and see its potentialities but who did not see them in 1957 and 1958. Some who today sit opposite used to ridicule the views that I was expressing about the future of and the need for action in the north. Indeed, the Right Hon. L. B. Pearson said that I had in mind the building of roads and railroads from igloo to igloo.

• (3:10 p.m.)

That "heresy" on the part of the Conservative party in 1957 and 1958 carried into effect to a degree that is only today being realized and has become the cornerstone of the present government. Now they are suddenly realizing the needs of the north and, as the hon. member for Etobicoke said, the need for the fullest co-operation between our country and the U.S.S.R. in reference to the development of the north.

I was rather surprised at the Prime Minister's statement concerning northern cities. He saw cities that no one else from the western world had seen, cities far in the north. In one of his moments of sophisticated musing he stated that he could see in northern Canada cities of 100,000 population. I wondered where they would be, and a few days later he cleared this up: he said he was not thinking further north than Mont Tremblant. This just shows the effect, even on a person like the Prime Minister, of the generous hospitality which was extended to him. I can speak of this, having been a recipient of that hospitality—of course, to a much lesser degree and unaccompanied by an entourage—two years ago when I was received by members of the Presidium. I was shown, not what they wanted to show me but what I wanted to see, particularly in the Ukraine and around Moscow.

I have read the communiqué in detail. It is a massive document. But what does it say? I am not here to argue the question as to whether protocols are to receive consideration by Parliament, but I do say that the means taken by my hon. friend to bring this matter before the House were the only way in which we could possibly get a discussion on the subject of what happened in the U.S.S.R.

Mackenzie King, in the days when he was minister of external affairs, did not want anyone to look into those matters; Parliament had no right to discuss them. I recall when he came back, having met Hitler in 1938, and the general feeling that he expressed, "There will be no war. I met Hitler. We talked together intimately and frankly and I am convinced he is a man of peace." Even Mr. King, who had extraterrestrial powers of communication, was not able to see through the intricacies of the mind of Hitler when as he chose to pretend, as he did to Chamberlain, that what he was endeavouring to do was bring about a new world of peace.

So far as the contents of the protocol are concerned, I have no criticism of it. The words of the protocol represent a viewpoint that will be generally acceptable. But, Mr. Speaker, I have seen people before who signed agreements but who did not read between the lines. What the Prime Minister said can be interpreted. What has particularly shocked me, although viewing with approval many of the things that took place, are some of the expressions of the Prime Minister in the U.S.S.R. which have placed Canada in a position that is completely at variance with the attitude of Canadians. I refer to some of the interviews he gave. I do not have them here in detail, but I picked up a few coming into the chamber.

I ask you, Sir: Have we in Canada forgotten that our two closest neighbours are the U.S.S.R. and the U.S.A.? I have disagreed strongly with the United States of America when it has interfered with Canadian policies—but have we forgotten that if it were not for the United States of America, that if the U.S.S.R. were in the same position as the U.S., geographically speaking, you and I, Mr. Speaker, would not be here? Some of the statements made by the Prime Minister in the U.S.S.R. will become part and parcel of the propaganda used by Communists all over the world. Some of the words he uttered are unbelievable to me. To the men of the Kremlin he pointed out "the danger to Canada's national identity from

American cultural, economic and even military influences."

I remember the days of 1914 to 1917 when we were virtually alone within this empire and Commonwealth. The United States came into the war in April, 1917. If it had not come in, all of us were beginning to fear, with millions of men having died on the field of battle. And in the last war, if it had not been for the Americans coming in when they did, pressed in by reason of what happened at Pearl Harbour, we can only visualize today the darkness to our freedom. I want to know, when has there been any subservience to military influences? I want to find out when there came about a growing consciousness among Canadians of a danger to our national identity—and I refer particularly to military matters. I want to know what the Prime Minister meant when he said that this protocol will affirm Canada's independent foreign policy in the face of the overpowering presence of the United States of America.

Mr. De Bané: Hear, hear!

Mr. Diefenbaker: There is one young man, without experience, who applauds. Sir, if he can be identified, I immediately recommend him for consideration as a parliamentary secretary. What I object to is the interpretation that can be placed upon the Prime Minister's words, that we are in military danger or that we are subject to military interference from the United States. That kind of thing represents loose thinking and, what is worse, when uttered by the Prime Minister of Canada it will become the cornerstone of Communist propaganda against the United States all over the world. I had my arguments with the United States. They tried to push me around, and the Liberal party said I was anti-American because I dared to say that this country's policy should be made in Canada by Canadians.

• (3:20 p.m.)

An hon. Member: The Liberals called that criminal.

Mr. Diefenbaker: They dared say I was anti-American. But the Prime Minister has made his statement which he will regret over and over again. It will take its place among those expressions that have been uttered over the years and have had to be withdrawn.

I see my hon. friend, the member for York North (Mr. Danson), Parliamentary Secretary to the Prime Minister, over there. Since he assumed the responsibility of office he has ceased to be one of the wits of Parliament, and we miss that. Is it not a strange thing that the only Jewish member in the group that went to the U.S.S.R. was one with a diplomatic passport, the parliamentary secretary? The U.S.S.R. would not give a visa to one Jew who applied to go as a press representative. I ask, what was said over there either publicly or in whispers about the diabolical treatment now being handed out to the Jews? What about the Ukrainians and those—

The Acting Speaker (Mr. Laniel): Order, please. I regret having to interrupt the right hon. member, but unless he gets the unanimous consent of the House his time has expired. Does the House agree to allow the right hon. member to continue?

Some hon. Members: Agreed.

Som hon. Members: No.

The Acting Speaker (Mr. Laniel): The Chair feels that there is not unanimous consent.

Mr. Diefenbaker: Mr. Speaker, could we have the identification of the hon. member who does not allow me to finish the sentence concerning the Ukrainians and all the other captive peoples of whom nothing is told?

The Acting Speaker (Mr. Laniel): Order, please. The Chair is always willing to understand the feelings of hon. members, but it should also abide by the rules.

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

The Acting Speaker (Mr. Laniel): The hon. member for Kenora-Rainy River (Mr. Reid) rises on a point of order.

Mr. Reid: Mr. Speaker, I think if you were to ask if there is unanimous consent to hear the right hon. gentleman, you would probably find that there is.

An hon. Member: What about the fellow over there?

The Acting Speaker (Mr. Laniel): Order, please.

An hon. Member: He is not even in his seat.

An hon. Member: He is out of order.

The Acting Speaker (Mr. Laniel): The hon. member knows that by the rules of the House he cannot have the floor unless he sits in his place. The hon. member for Matane (Mr. De Bané).

[*Translation*]

Mr. De Bané: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Matane on a point of order.

Mr. De Bané: Mr. Speaker, I would certainly like to allow the right hon. member for Prince Albert (Mr. Diefenbaker) to continue, but I did not like at all his personal attack on the Parliamentary Secretary to the Prime Minister (Mr. Danson) and I think that this type of allegations—

The Acting Speaker (Mr. Laniel): Order, please. The Chair cannot accept this kind of argument. The question is whether the House would now agree to the right hon. member for Prince Albert continuing his remarks. The hon. member for Matane may only state that he will not allow the right hon. gentleman to pursue his speech. I now recognize the hon. member for Oxford (Mr. Nesbitt).

[*English*]

Some hon. Members: Shame!

The Acting Speaker (Mr. Laniel): The hon. member for Oxford (Mr. Nesbitt).

An hon. Member: I never saw such treatment of a former Prime Minister.

Mr. W. B. Nesbitt (Oxford): Mr. Speaker—

Mr. Perrault: Mr. Speaker, I rise on a point of order. Has the hon. member been given the floor by the Chair?

The Acting Speaker (Mr. Laniel): Yes, the hon. member for Oxford has been given the floor.

Mr. Nesbitt: Mr. Speaker, I think it is a great pity that this House did not have the opportunity of hearing the concluding remarks of the right hon. member for Prince Albert (Mr. Diefenbaker) who probably has more experience in foreign affairs over the years than anybody in this House. Be that as it may, I should like to say that like the right hon. member for Prince Albert and the hon. member for Hillsborough (Mr. Macquarrie), I am glad to hear of any treaty, protocol or arrangement that will help reduce tension directly or indirectly between the super powers or any other powers in the world.

As I see it, the prime objective of Canada's foreign policy is to do everything possible to prevent a major war from breaking out between the two super powers. The fate of Belgium and the Netherlands in the last two world wars would be nothing to what would happen to us if war broke out between the Soviet Union and the United States, or China and the United States. We would be the ham in the sandwich; there is no doubt about that. All our foreign policy and objectives should be directed toward prevention of such an outbreak.

As has been said by the right hon. member for Prince Albert, the protocol itself is very innocuous; it is an expression of hope for the future, nothing else. We know that it is not what is done in this world that is important so much as what appears to be done. It is not the importance of the protocol itself that concerns us; the accompanying words and the extraneous remarks made by the Prime Minister (Mr. Trudeau) in referring to it have caused unease in Canada and apprehension on the part of some of our allies. According to press reports, the Prime Minister said that the protocol is what we make of it, that it is elastic. We heard the right hon. member for Prince Albert point out the dangers of American military domination and political involvement. This apparently is very much in accord with the views of the hon. member for Matane (Mr. De Bané) but he was not anxious to hear any further remarks from the right hon. gentleman.

The hon. member for Winnipeg North Centre (Mr. Knowles) mentioned the occasion when the right hon. Prime Minister said to the Ukrainians in Kiev, "After all, there are people in Canada of Ukrainian descent who are just the same as Ukrainians in the Ukrainian Soviet Socialist Republic." I cannot help recalling at this point that I had the honour of representing Canada for a number of years at the United Nations and sat next to the representatives of Byelorussia, one of the states of the Union of Soviet Socialist Republics.

According to the charter of the United Nations, all member states should be independent, but any time a speech was delivered by a member of this delegation it was brought over by a member of the Soviet delegation and handed to him. There was no secret about it. On one occasion when nothing particular was taking place, it was the duty of the member of the Byelorussian delegation to commence the vote and he did not know how to go about it. The president of the assembly, who was Irish, leaned over to him and said, "Your are supposed to vote 'Yes'". Nobody laughed louder than the Soviet Union delegates. This is the kind of thing we have to face.

• (3:30 p.m.)

When the Prime Minister tells the people of the Ukraine that they are living in the Soviet Union in the same way as the people of Canada, it is either a reflection on the government of this country or a forewarning of what is to come during the next year or two. We had better take careful note of this. I hope the Prime Minister will clarify the remarks he made about the United States of America when he speaks this afternoon. I would not have been surprised had these remarks been made by my colleagues to the left. Over the years that I have been here, and for many years prior, they have been openly distrustful of the United States, if not harbouring an absolute hatred of that country. There has never been any doubt about that. This is rather singular of them.

Seeing the hon. member for Winnipeg North Centre here this afternoon reminds me of a similar debate in this House in 1955. As I recall, the hon. member for Winnipeg North Centre took part in the debate, as I did. The subject was the same as today, foreign affairs. One or two members, myself included, pointed out that the foreign policy of the former CCF, the successor of which is the New Democratic Party, had—as a peculiar coincidence—always been identical with that of the Soviet Union. I am not imputing any motives; it may be an accident.

An hon. Member: You are kidding.

Mr. Nesbitt: In a jocular way one hon. member has said, "You are kidding". I presume this means he agrees. Look back to see what has happened. The Marshall plan was introduced. It rebuilt and saved Europe. Who in this country opposed it? The CCF of the day. During the United Nations expedition into Korea to contain Russian and Chinese aggression in that country, who opposed it? Again it was the CCF. There are many incidences I could quote. That party opposed NATO. Anything built or designed to prevent further Russian expansion in Europe in the post-war days was always opposed by members to my left. What their motives were, I do not know. There may be a few among them who did not do this.

I have followed this matter very closely. The only time I can recall any member of the NDP or their predecessors opposing anything that the Russians did was when Czechoslovakia was invaded. As I recall, the then leader of the party said something like, "Naughty, naughty; you must not do it". That was about it. On every occasion when the United States does anything that is entirely popular, it appears that Satan himself and all the legions from the lower region are involved and that our main danger and enemy is the United States of America. I am

not surprised to hear this from the NDP, but when we hear it from the Prime Minister and some of his colleagues there is cause for alarm. No wonder there is apprehension in the United States and elsewhere.

The Prime Minister has the habit of expressing himself in riddles, similes or metaphores. Not too long ago he said that being next to the United States of America is like sleeping with an elephant. If nothing else, an elephant is rather pleasant, although it can show a temperate nature and be a bit clumsy occasionally. We all agree with that. Perhaps it might be well to remind the Prime Minister that there may be difficulties getting into bed with an elephant, but getting into bed with a Russian bear with rather carnivorous habits is quite another matter.

Some hon. Members: Hear, hear!

Mr. Baldwin: Watch your chastity-belt.

Mr. Nesbitt: Some members of the House, including the Secretary of State for External Affairs (Mr. Sharp) and others on the government side, have had some experience in dealing with the Russians. If nothing else, the Russians are very practical people. They do not spend vast sums of money on entertaining and huge, spontaneous demonstrations unless they have something in mind. It is well known that one of the prime objectives of Russian foreign policy is to drive a wedge between Canada and the United States. This is not because they give a hoot about us: to them, we are just another Belgium. It is because they wish to damage American defences on the continent and American influence and prestige abroad. That is the main objective of the Russians. When the Prime Minister of our country is wined and dined, receives flowers, huge groups and the works, it is not because the Russians enjoy spending money and putting on shows. It is for one purpose. If one can pay any attention to the reports on the remarks of the Prime Minister, they have certainly succeeded.

As the Prime Minister said, protocol is very elastic; it is what we want to make of it. From what we have seen and heard so far, it is apparent what he wants to make of it. I hope we get an explanation when his eminence arrives this afternoon. I presume that he will be here very shortly. It should be remembered that the Prime Minister—

Some hon. Members: Hear, hear!

Mr. Nesbitt: I do not think anyone in the House is more pleased than me to welcome back the right hon. gentleman from his trip to the Soviet Union. Perhaps the right hon. member has not yet heard about it, but as has already been pointed out we have a lot of questions. We would like a lot of information about his observations of the Soviet Union. I hope that the Prime Minister, who has now rejoined us, will be able to give us some of his observations on what he did there, and what the indications are vis-à-vis the Soviet Union and the United States. I am happy to give the floor to the Prime Minister.

[Mr. Nesbitt.]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, may I begin by thanking all hon. members for their welcome and to say how happy I am to be back in Canada. I know that I speak in this respect on behalf of my parliamentary travelling companions, my parliamentary secretary, the hon. member for Parkdale (Mr. Haidasz) and the hon. member for High Park (Mr. Deakon), who were of great assistance while I was in the Soviet Union.

The Soviet Union occupies a vast land mass extending through 11 time zones—some of which I am still feeling—with climates varying from the desert heat of central Asia to the frigid temperatures of the Arctic. While in the U.S.S.R., I was taken by the Soviet government to six cities in addition to Moscow. We travelled some 12,400 kilometres while doing so. Two of those cities, Murmansk and Norilsk, were within the Arctic circle, the largest communities in the world that far north. They offered evidence of the advantages to be gained by Canada in the development of our north through closer co-operation and exchanges with the Soviet Union.

This visit to the U.S.S.R., which concluded just three hours ago, was the first of a Canadian Prime Minister, while in office, to that country. It was by no means, however, the first occasion on which a minister of the Canadian government has travelled in the Soviet Union. Our relations with that country have been developing and increasing in complexity since Canada first opened an embassy in Moscow in the early 1940s.

• (3:40 p.m.)

Hon. members will recall that Canada has long had treaty arrangements with the Soviet government. Our first trade agreement was signed in 1956. Since that time, in every year except 1969 we have enjoyed a favourable and often substantial balance of trade in our favour. I might add that while in Moscow our trade in wheat was reviewed, including the Soviet assurance that when the U.S.S.R. has requirements to import wheat, it will in the first instance apply to Canada as a preferred source of supply. In January of this year the Minister of Industry, Trade and Commerce (Mr. Pepin) concluded an important agreement with the U.S.S.R. on the industrial application of science and technology, an agreement which reflects the recognition in the U.S.S.R. of Canada's increasing stature as the owner of important, advanced technology and of our awareness of the important progress made by the Soviets in a number of fields.

This increasing interest in the Soviet Union has not been confined to the government. A wide range of contacts has been established in recent years by persons who recognize the Soviet Union as a near neighbour, as a country of great influence, as a marketplace and trading partner of immense potential, as the home of wide cultural attainments and as a fascinating land. I believe we have much to gain in this process of increasing awareness and I am pleased that visitors to the U.S.S.R. in recent months included the Leader of the Opposition (Mr. Stanfield) and the right hon. member for Prince Albert (Mr. Diefenbaker).

Canadian businessmen, scholars, artists, athletes and tourists are visiting the Soviet Union in increasing numbers and with considerable success. While my party was in Leningrad yesterday a ship unloaded a valuable cargo of sophisticated, heavy-tracked vehicles purchased by the Soviets from a Calgary manufacturer.

Some hon. Members: Hear, hear!

Mr. Trudeau: Earlier in my visit I was delighted to be told that an Edmonton girl, Miss Elizabeth Carruthers, had placed first in one of the events at a championship diving meet in Riga and that two of her Canadian teammates came third and fourth.

Some hon. Members: Hear, hear!

Mr. Trudeau: Against this steadily developing background it was only natural that steps be taken to place Canadian-Soviet relationships on a more structured and orderly basis, and this was the purpose of the protocol which was signed in Moscow last week and tabled in this House by the Secretary of State for External Affairs (Mr. Sharp) on the same day.

This document, which I believe to be an important one, goes some distance toward placing Canadian-Soviet consultations on the same basis as has existed for a number of years with the United Kingdom, the United States and Japan. Hon. members will recall, Mr. Speaker, that a similar arrangement was entered into with Mexico as part of the work of the ministerial committee which travelled to Latin America, and that agreements for regular consultation with both New Zealand and Australia were reached during my visits to those countries last May.

[*Translation*]

This process of broadening Canadian relationships is an ongoing one and was spelled out in the foreign policy review. The principles of that review have been discussed widely in Canada and were studied at length by a parliamentary committee. The foreign policy of this government has been to contribute where it can to a peaceful world and to strengthen our relations with a number of countries. In both respects this policy is designed to serve basic Canadian values and interests. The Canadian-Soviet protocol is a natural manifestation of that policy.

As the communiqué which was tabled this morning reveals, the protocol will ensure continuing consultations at a variety of levels on matters of the kind discussed by me and the Soviet leaders, President Podgorny, Premier Kosygin and Secretary General Brezhnev. The communiqué refers to the desirability of relaxation of international tensions and of stability and détente in Europe; economic, scientific and technological cooperation; Canadian-Soviet trade; Arctic and northern development including the safety of navigation and the prevention of pollution; the significance of the forthcoming U.N. Conference on the Human Environment; the conviction that international issues be resolved in accordance with the principles of the United Nations Charter and that the effectiveness of the U.N. be enhanced; satisfaction at the conclusion of the nuclear non-proliferation treaty, and the treaty prohibiting placement of weapons of mass destruction on the ocean floor.

Surely, Mr. Speaker, the Conservative party cannot be suggesting in its motion that discussions on subjects of this importance to Canada should not take place with the Soviet Union. Nor, surely can the opposition now contend that the government's policy of widening and strengthening relations with a selective number of countries is not known to them or is not desirable.

If the purpose of the motion and of this debate is to make known to Parliament and to Canadians the constructive and imaginative foreign policy initiatives of this government, then I welcome the opportunity. And I remind the House that the foreign policy review stated that we would seek actively opportunities to further Canadian interests; that wherever possible we would not wait passively for events to occur and then to react to them; that, in sort, we would pursue in as judicious and advantageous a way as possible the broad range of policies which are permitted to Canada as a country which is well-respected abroad.

These things we have been doing, and these things we shall continue to do.

While in no way diluting our friendship or our contacts with those countries such as the United States, Britain, France and others with which we have had traditional and friendly relations, we have taken a fresh look at the world and at the Canadian interests in it. Areas of the world which have not in the past figured prominently in Canada have been sought out consciously as friends, as prospective trading partners, as sources of information and advice, as contributors to an independent Canada; a Canada not overwhelmingly dependent upon or dominated by any one state or group of states; in short, a Canada with a singular identity and well recognized as such both by Canadians and by citizens of other countries.

We have been active in the world in those areas where we could contribute positively and usefully: economic and technical assistance, through the creation of the Canadian International Development Research Centre; fresh juristic concepts for the prevention of pollution in waters off our shores and for the conservation of fisheries; studies and proposals in the fields of disarmament and arms control. We have looked to Latin America and are seeking permanent observer status in the Organization of American States; we have expressed our many-faceted interest in the countries of the far rim of the Pacific; we have adjusted our defence posture to remove from it any elements that could be regarded as provocative, and to ensure that our policy adequately but truly reflects the needs of Canada for national defence; we have been successful in establishing useful and official contacts with the most populous nation in the world, the People's Republic of China; we have entered wholeheartedly the new Francophonie organization.

All this has been done, Mr. Speaker, while retaining Canadian membership in NATO and NORAD, while strengthening our relationship with such economic associations as the OECD and GATT, while contributing

in an effective and constructive fashion to the U.N. and to the Commonwealth.

These activities are good in themselves, are good for Canada and, I am convinced, are supported strongly by the majority of Canadians.

[*English*]

It is in this context that my visit to the Soviet Union should be viewed. As we have looked traditionally south to the United States and east to Europe and, more recently, west to Asia, so should we not disregard our neighbour to the north. The relations between Canada and the Soviet Union in the post-war years have not all been of a wholesome or a desirable nature. I harbour no naïve belief that as a result of this protocol our two countries will find themselves suddenly in a relationship which will reflect nothing but sweetness and tender feelings. As I stated in my speech in the Kremlin, there remain many fundamental differences between us; differences relating to deep-seated concerns springing from historic, geographic, ideological, economic, social and military factors.

• (3:50 p.m.)

But surely, Mr. Speaker, the only way to resolve these differences and eliminate these concerns is by increased contact and effort at understanding. That is what the protocol proposes. That is what, in a different way, is achieved by prime ministerial visits. Through them an opportunity is created by the pens of journalists and the cameras of photographers for the people of both Canada and the Soviet Union to learn much more about one another—their respective histories, their sufferings, their aspirations.

No one can travel in the Ukraine and not absorb the instinctive and passionate desire for peace on the part of a people who lost nine million of their countrymen during World War II, a number approaching in magnitude the entire population of Canada at that time. No one can walk through the cemeteries of Leningrad and view the mass graves of tens of thousands of residents of that city who died of starvation during the cruel 900-day siege and not understand that the Russian people fear desperately the repetition of an experience which no Canadians, fortunately, have ever suffered. The death of half the people of a city—600,000 of them women, children and civilians—did not spare a single Leningrad family. The survivors of that cruel conflict do not regard war as an abstract concept, as a glorious pursuit or as a credible means of resolving disputes. War to them is the loss before one's eyes of loved ones, of home, of possessions, of hope.

To achieve a satisfactory, just and continuing peace requires a climate of confidence, a climate in which men of differing social and economic systems trust one another. There is no simple way in which this can be done, but neither is there the slightest doubt that it must be done. Equally, confidence can be engendered only by increasing contact of governments and of people. In this way, gradually, and sometimes painfully, can we continue and accelerate the slow progress toward a world-in which the foremost goals of every government of every country must be the attainment of social justice, fundamental human rights and the dignity and worth of all human beings.

Because tolerance and good will are nowhere so evident as they are in Canada, Canadians are possessed of an uncommon opportunity to urge all men everywhere to pursue these universal goals. I attempted to do so while in the Soviet Union, where I expressed to Premier Kosygin the widespread concern in Canada over the alleged refusal of the Soviet government to permit its Jewish citizens to emigrate to Israel or to other countries of their choice. I was assured by Mr. Kosygin that these allegations were not well-founded and that, in particular, his government had permitted to exit to Israel for many months of significant numbers of Soviet Jews. I might add, Mr. Speaker, that Mr. Kosygin's statement has been corroborated by the Canadian government from other, independent sources.

I seized the opportunity to urge Mr. Kosygin to permit persons of all ethnic origins with relatives in Canada to come here and thus reunify the many families which have been split tragically for many years.

Some hon. Members: Hear, hear!

Mr. Trudeau: He assured me that his government would not place unjustifiable barriers in the way of those persons and he promised that he would give personal attention to the list of names of such persons which I took with me to Moscow.

In another area entirely, I was able to discuss with Mr. Kosygin the concern and fear expressed by our east coast fishermen over the practices of the Soviet Atlantic fishing fleet. I pointed out to him the immense increase in recent years of the Soviet catch, the decrease in the Canadian catch and the vital need for conservation of this important food resource in the interests of both our countries. Mr. Kosygin observed that the Soviet Union was a party to the North Atlantic fisheries convention and had a profound interest in a long-lasting and healthy fish stock. We agreed that this issue was deserving of further talks.

Only time will tell, Mr. Speaker, whether the warm welcome which was accorded me in the U.S.S.R. reflects the commencement of an era in Canadian-Soviet relationships as advantageous as we all hope will be the case. I prefer to be optimistic and I am urging all government departments to exploit these new openings. I urge Canadian businessmen to accept the new challenge. For our part as Canadians, I assured the Soviet leaders that there was no impediment in our desire for better and more mutually beneficial relations. In the pursuit of those benefits I am happy to report to the House the exceedingly high reputation and the impressive competence of the Canadian ambassador to the Soviet Union, Mr. R. A. D. Ford, and his conscientious and professional staff.

Some hon. Members: Hear, hear!

Mr. Trudeau: As the House is aware, Mr. Speaker, I invited Premier Kosygin to visit Canada at a time convenient to each of us, and he accepted with pleasure. I am certain that on that occasion Canadians will respond to the Soviet leader with the same warmth and conge-

niality as was shown to me by persons in every city I visited. I am particularly grateful to Mr. Kosygin who spent some 20 hours with me and whose daughter acted throughout the visit as the hostess for my wife.

I am happy, Mr. Speaker, that I was given the opportunity to make the trip. I am happy to be back. I am happy at what appears to be the favourable results of the visit.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I join the hon. member for Oxford (Mr. Nesbitt) in welcoming the Prime Minister (Mr. Trudeau) back from his journey. As he may have surmised from this debate, we have followed with interest his peregrinations through the various parts of the Soviet Union. I regret that he was compelled, upon landing in this country, to come to the House of Commons for this debate. I assume that he has learned by now that it has arisen as a result of the regrettable refusal of the Secretary of State for External Affairs (Mr. Sharp) who in his capacity as Acting Prime Minister refused what I consider to be our very reasonable request that the government should set aside for debate and discussion the treaty and surrounding, connected matters which were entered into while the Prime Minister was in the Soviet Union.

My own preference would have been for the Prime Minister to have reported: then suitable arrangements could have been made among the various parties to set aside one or two days to debate this important issue and the surrounding circumstances flowing from this trip and treaty. The Secretary of State for External Affairs refused this and challenged us, in effect, to bring this subject forward on the first available opposition day in the House of Commons. We had no alternative to so doing. That action has brought the Prime Minister here. I am glad he is here, and I was glad to hear what he had to say.

Let it not be said, Mr. Speaker, that this party or anyone in it objects to discussions, negotiations and consultations between this country and any country in the world, including the Soviet Union.

Some hon. Members: Hear, hear!

• (4:00 p.m.)

Mr. Baldwin: That has not been the issue in this debate. The right hon. gentleman from Prince Albert (Mr. Diefenbaker) when speaking indicated the extent to which this practice has been followed in the past. The practice was initiated to a large extent by the government he led when he was Prime Minister. What concerned us and what impelled us to bring about this debate were the circumstances surrounding the institution of the so-called protocol, what was said in Russia and what was said here. I am quite sure that if this protocol had been executed without the fanfare which accompanied it, and without the proud claims and boasts made in this country and in the Soviet Union, there would have been discussions and there would have been a statement made by the Prime Minister on motions. We must look at the surrounding circumstances. Hon. members have quoted the Prime Minister's statements and I will not repeat them, but they referred to the historic nature of this particular arrangement.

The Secretary of State for External Affairs, in his capacity as Acting Prime Minister, made a report to the House in which he emphasized this. The only impression we got in this House, which I am sure the country got, was that the government was embarking on a completely new course, in a new direction, and was engaged in charting a voyage in new waters.

Mr. Sharp: That was your interpretation.

Mr. Baldwin: That was the impression derived in this House and in this country. The hon. gentleman cannot deny that. I will have some references to establish that point before I conclude. Something has been said about whether this is a protocol or a treaty, and what should be done about it. I do not care what you call it—it is what is in the document that is important. The important thing is what was said at the time of its execution and what was said by the apologists who accompanied the Prime Minister and reported on it. There can be no doubt at all that the impression created by the Prime Minister, his entourage, his staff here and the Acting Prime Minister was that this was something new, substantial and different.

It is true that this document reduces certain proposals to writing, but there is nothing in the protocol with regard to the future which could not have been, and was, done in the past.

Mr. Bigg: It was done before he went there.

Mr. Baldwin: The impression which must remain indelibly in our mind is that this is intended to be something new, significant and tremendously important. It is for this reason we asked for this debate. Having listened to the Prime Minister, I must say we are not much wiser than we were before he returned.

An hon. Member: You didn't listen.

Mr. Baldwin: Something has been said about the tremendous approval surrounding this document.

An hon. Member: His speech was a good travelogue.

Mr. Laing: Are you sorry, or are you glad?

Mr. Baldwin: There are varying opinions about this document throughout Canada and it will take time for the dust to settle. Let it be said that there are grave misgivings in certain parts of Canada, not with regard to the mere existence of a protocol but because of the surrounding circumstances, its execution and statements made in Russia and in Canada. Let me put a few comments on the record. I have here a letter dated May 26, 1971, addressed to the then Acting Prime Minister from the Ukrainian Canadian Committee. The first paragraph reads:

> Ukrainian Canadians received with great appreciation the remarks made by the right hon. Prime Minister Trudeau in his state dinner speech in Kiev, the capital of Ukraine, in which he emphasized the important contribution Ukrainians have made to the development of Canada while preserving their Ukrainian identity within Canada's cultural mosaic.

He might as well have mentioned the pitiful amount of money this government has contributed to the cultural betterment of these people as compared to moneys contributed in respect of biculturalism and bilingualism.

Mr. Sharp: Are you opposed to bilingualism?

Mr. Baldwin: Let me read the next two paragraphs.

However, we must strongly object to the Prime Minister's statement in which he made comparison between Canada's federal and democratic form of government and the totalitarian colonial system by means of which Soviet Russia rules over some 125 million people of non-Russian nations, of which Ukraine is the largest with a population of 47 million.

Under no circumstances can the democratic and federal system of Canada be equated with the one-party Soviet Russian dictatorship which uses secret trials, forced labour camps and other means of police rule for political and imperialistic purposes. The U.S.S.R. is in fact the only and the greatest colonial empire in the world today.

These are the views of the people. I put this on record to show that there is not the universal approbation in this country which the Prime Minister and others of his party suggest exists. Let me read from an editorial which appeared in the Winnipeg *Free Press* last Thursday under the heading "Historic Indeed":

The Canadian-Russian treaty signed in Moscow is officially described as a "protocol". By insisting on this distinction the Trudeau government achieves two purposes of political importance. Protocol is a somewhat antiseptic term and hence useful to ministers preparing to pretend, when not preening themselves on their achievement—

These are not my words, but I adopt them.

—as world statesmen, that they have entered into a simple agreement for the encouragement of cultural, environmental and scientific exchanges. Moreover, their diplomatic stroke is a *fait accompli*; they do not have to seek ratification of a "protocol" by the Canadian Parliament.

In fact, the treaty is another significant step in the reversal of long-established Canadian policy. Mr. Sharp in Parliament called it "historic," as it may well be. The cordiality of the Soviet leaders is not surprising. Will you walk into my parlour, said the calculating spider to the innocent flies. And in walked Messrs. Sharp and Trudeau.

The people of Canada have been hoodwinked, in company with their allies. First, we had the elaborate foreign policy exercise which was intended to weaken our NATO ties under cover of professions of loyalty. Doubters were reassured by pointed references to the text of the Prime Minister's announcement of April, 1969, which emphasized our continuing membership. Now that the dust has settled we have the second move, a Moscow agreement creating a special relationship between Canada and the Soviet Union.

Without adopting in toto the principles of the suggestions contained in this editorial, I put this on record to add to the growing list of pronouncements and statements made by many people in Canada who have doubts about the statement of the Prime Minister on what he has done or signed, accompanied as it was by all the surrounding statements. This action was not accompanied by the wholesale approbation of the people of Canada.

Finally, hot off the press today, in the Toronto *Star* we have this article. You will notice I am quoting from papers which are not entirely unsympathetic to some of the very few reasonable proposals this government makes from time to time. This editorial is headed "Scene of the Crime" and it reads:

Honestly, we wouldn't have mentioned it, if he hadn't raised the subject himself. It was a sickening, disgusting and frightening affair, that brutal Soviet crackdown on Czechoslovakia in August, 1968. But people did nothing about it at the time, and there's been a tacit agreement since to let it alone.

But this week, Russian Communist party boss Leonid Brezhnev went, fresh from the Trudeaus, to Prague, where he boasted about his 1968 dirty work, and carefully repeated the nauseous "Brezhnev Doctrine," meaning he'll do it all over again, if he ever feels he has to. Since Mr. Brezhnev has been so tactless, we incline to being outspoken ourselves. There are 80,000 Russian troops still in Czechoslovakia. The deposed and disgraced Czech leader, Alexander Dubcek, is their butt. In his place, put there by Soviet brute force, is Gustav Husak, who saved Dubcek's life, but only by licking Brezhnev's boots. And 300,000 Czech Communists have been purged.

The obsequious praise that Husak heaped on Brezhnev in public when they met this week would have turned a normal man's stomach, but Mr. Brezhnev lapped it up.

An ear less tin might have detected an odd little note in the paean. Husak affirmed the need to defeat "right-wing opportunists, revisionists and anti-social forces". But these are precisely the terms the Chinese employ for abusing the Russians. Husak may not be quite the toady Mr. Brezhnev thinks. The Czechs have a long tradition of quietly needling their conquerors. Ever hear of "the good soldier Schweik," Mr. Brezhnev?

• (4:10 p.m.)

I have a great many of these quotations which I could place on the record. Hon. members might fall over themselves praising everything they have done, but I believe it is up to them and the people of the country to examine with care and caution what has been done and what is being done. Good things we accept, however, and there may be some good come out of this. We hope this will be the case. We will check into it as time goes by.

The right hon. gentleman said today that he had mentioned to the Chairman certain problems which now exist between Canada and the U.S.S.R., such as the question of the Jewish people trying to leave Russia, the fishery problem which exists and which has been the subject of speeches by many members on this side of the House, the question of immigration, and so on. We will watch with care and interest what comes out of this. If in fact there are compensating features and improvements which take place, we will be prepared to give credit to the Prime Minister even though these might take place in any event.

However, this does not alter the fact that the right hon. gentleman fled Canada because of the problems he faced domestically. We have heard of the retreat from Moscow. Now we hear about the retreat to Moscow of the right hon. gentleman and his friends. Napoleon went one way and the right hon. gentleman went another way. We will watch with care and we will file a caveat in respect of the development which is taking place.

We have exercised our responsibility as Her Majesty's Loyal Opposition because of the dismal failure of the government to set aside appropriate time to discuss this matter—because it is either an historical and important event, as has been suggested, or it is nothing. If it is as important as the Secretary of State for External Affairs

says it is, then it justifies proper debate and discussion in this House. The refusal of the government to do this has compelled us to bring about this debate. The problems which we envisage certainly have been brought to hand by what we have seen today. On the government side there has not been one speech of substance.

Some hon. Members: Oh, oh!

Mr. Baldwin: I regret having to include the right hon. gentleman in that. There has been nothing to explain, justify and rationalize not only the protocol but the accompanying statements. Let us make sure that before we throw aside old friends, old agreements and old alliances we know where we are going. I suggest to the right hon. gentleman that if he has not already done so, he should read "Pilgrim's Progress."

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, all of us listened with a great deal of interest to the speech of the Prime Minister (Mr. Trudeau) a few minutes ago. In the view of most of us, he demonstrated beyond any argument the present and potential value of the arrangement signed the other day with Russia. He demonstrated beyond question the fact that there is no basis at all for the proposal contained in the resolution under discussion that the protocol should be brought before the House for consideration and decision.

Precedent after precedent has been cited in the House this afternoon by the Secretary of State for External Affairs (Mr. Sharp), by other members and latterly by the Prime Minister who indicated that the procedure followed was perfectly in order and consistent with the action of this and other governments. Beyond that, however, I think it is most disturbing that we have heard such narrow, petty criticism of what can only be regarded as an important piece of progress in the development of Canada in respect of its external relations policy. A few moments ago we heard the hon. member for Peace River (Mr. Baldwin), the House leader of his party.

Mr. Greene: He used to be a big man.

Mr. Perrault: Did he comment on the announcement of the increased Canadian wheat sales? There wasn't even adequate recognition of the sales. There is a complete ignoring of this important fact and just a recitation of the arguments resurrected from the cold war. I believe it is a disappointing type of treatment from a man in his position. Shortly before that we heard from the right hon. gentleman from Prince Albert (Mr. Diefenbaker) who formerly was granted the great privilege of leading the government of this country. Yes, other Privy Councillors have journeyed to Russia at other times and have expressed their deep pleasure in the warmth of the Russian reception. The right hon. gentleman from Prince Albert played a different tune on his balalaika a few years ago. The Toronto *Star* of October 17, 1969, states:

> Former Canadian Prime Minister John Diefenbaker has a dream and he hopes the Russians will help make it comee true.

The report continues:

> Diefenbaker said later that they agreed that Canada and the U.S.S.R. should co-operate in a scientific exchange program aimed at developing the Arctic areas.

In another article Mr. Diefenbaker is reported to have said that the meeting could not possibly have been more cordial and friendly. In the Toronto *Star* of October 14, 1969, we find these words:

> Former Prime Minister John Diefenbaker checked into the room used by Lenin in Moscow's National Hotel today and prepared for a meeting with Dimitry Polyanski, deputy premier of the Soviet Union.

When he was asked about the arrangements made for him, he said he was obviously pleased. He said he was given the ornately furnished hotel room with the balcony from which Lenin addressed the revolutionaries in 1917. It must have been a great experience. The Toronto *Star* goes on to say:

> Occasionally he talks mysteriously to the walls in his room of honour in the National Hotel where Lenin lived and from which he addressed the revolutionary hordes in 1917. The RCMP warned Diefenbaker before he left Ottawa that his room would probably be bugged.

Apparently he must have been talking to the microphone on that occasion. But when the former Prime Minister of this country was in Russia he talked in terms of the necessity of co-operation between our two great countries. He insisted that there was a place for Canada to play a very important role. He talked in terms of the value of Canada's efforts to bring about a rapprochement between the United States and the Soviet Union. This is also from the Toronto *Star* of October 14, 1969:

> He seemed to startle the Intourist guides by quoting former British Prime Minister Lloyd George to them. I remember George said 'That God chooses small nations to carry the sweetest wine of democracy to the world.'

Perhaps at least here we are brewing a batch of wine which may bring good results. Possibly there are some who in this debate would like to perpetuate the dreary era of the cold war and who cannot conceive that the world can change and that conditions can change. There are those in this House with dark and lingering fears in their minds that any time Canada achieves an agreement of any kind, that agreement represents a so-called sell-out or betrayal of Canada's interests and that somehow or another Canadians are unable to negotiate any international agreement which will confer benefits on this nation.

• (4:20 p.m.)

Yet there are other, enlightened members of this assembly who know all too well that this is not 1947, 1957 or even 1967—it is 1971 when throughout the world a certitude exists that unless we open more doors between nations we risk not only a military cataclysm but ecological and environmental disaster. It is to the credit of this government that it is a government willing to work with other nations, willing to undertake initiatives and willing to assist in the resolution of internation-

al disputes and misunderstandings. Despite the suggestions of the hon. member for Winnipeg North Centre (Mr. Knowles) that we have lacked in our efforts to promote international understanding, Canada's record is one of the finest in the world. I am sure the hon. member is aware of that fact. There are countless issues where Canadian initiatives have conferred a benefit on the entire world. Those who advance their narrow criticism of the recent agreement between the U.S.S.R. and Canada should remember that Canadian initiatives to keep the seabed free from nuclear weapons, to reduce armaments in the world and to protect the world's environment have involved extensive consultations with those whose political ideologies we cannot support.

Projected to its extreme limit, the argument advanced by certain hon. members would have us only conduct our external relations with politically acceptable governments. Such a policy would be foolish in the extreme and it would be foolhardy. Here we are, one of the world's largest nations with one of the world's longest coastlines, bounded on the north by our unique Arctic and beyond that the Soviet Union. Our geography makes mandatory relations with both the United States and the U.S.S.R. in a number of critical areas. In a war we could be another Belgium, the no man's land where nuclear warheads land. No wonder Canada is so active at the Geneva disarmament talks; no wonder Canada is a leader of the small nations in efforts to bring about disarmament—because there are now nuclear warheads capable of droping a million tons of t.n.t. or its equivalent should a war be conducted overhead.

In the fight to protect the world's environment, together with our two vast neighbours we could be a key to protecting the biosphere of the earth. So we have this agreement, we have this accord because we have a great interest in all efforts, unilateral, bilateral and multilateral, to protect that real estate which we share with our two giant neighbours, the United States and Russia. Yet some of those in the opposition continue to look into the glass darkly and tell us that we have no business attempting to construct a better and more efficient way to discuss with our neighbours a range of problems common to us. Common sense Canadians know where their best interest lies—not in a narrow, introverted chauvinism but in a healthy, positive approach to our international relations.

The House has been assured that this agreement is not a treaty but a means whereby we can conduct normal diplomatic relations on a more regular, systematic basis. It is, in a sense, a protocol to eliminate, paradoxically, the need for even more protocol, an arrangement to render unnecessary the construction of new and totally separate arrangements for issues which arise between our two governments. If similar arrangements can be achieved with other nations of special importance to Canada, then we should proceed to establish these similar arrangements as well.

The opposition has questioned the benefits which are expected to flow from this arrangement, and some of the points have been reviewed. Discussions will take place under this arrangement about the preservation of the environment, Arctic conditions and navigation, the status of minorities and on matters which, hopefully, will lead to a reuniting of families.

I want to say something about the first of the possible advantages to flow from this new arrangement with the U.S.S.R. We have an immense amount in common with the geography of northern Russia. Canada for years, quite understandably, has been very interested in the Soviet Arctic, particularly the eastern areas. We have in common with Russia a vast area of permafrost, a boreal forest, a sparse population and peoples some of whom have a very similar ethnic background to some Canadians. Canada wants to know more about a range of considerations relating to the Arctic, wherever that Arctic area may lie. So far, far eastern Siberia has been closed to the west. Hopefully, that area can be opened to our scientists.

This flow of knowledge and information cannot be a one-way street. It is wrong to assume that Canada is the only possible beneficiary of such an exchange. We have done some unique things in our own Arctic and this information is of interest to our Soviet neighbours. There is a possibility, then, of a sharing of information which may well be of substantial benefit to both nations. They build dams in permafrost in the U.S.S.R. It would be good for our scientists to discuss dam-building techniques in our permafrost.

How does the vast Soviet forest industry cope with pollution? Do we have technical knowledge which can be shared in this area? If it helps the Soviet Union, then it helps the environment of the world and our youngsters and people will benefit just as much as young people and citizens in any other part of the world. How are natural gas pipelines constructed in permafrost? Surely there are opportunities to share information and knowledge with respect to community and social development and ways in which the capabilities of our respective native peoples can be brought to full development. Surely there are ways to share information with respect to the education of our respective native peoples and the ways in which their rich heritage of life, language and customs can be retained, while offering these peoples an opportunity to realize their full potential.

In the Northeast Passage, within the area under Soviet jurisdiction, a remarkable system of navigation has been established by the Soviet through 40 years of development. Surely Canada has an interest in sharing with the U.S.S.R. and all other countries knowledge which may ensure safe and efficient navigation in the dangerous Arctic waters. We have a common interest in Arctic ecology and in methods involved in preventing pollution of these waters.

In other words, those who heap scorn on this agreement and attempt to read into it all sorts of dark implications must be unaware of the world in which we live, a world where a diplomatic thaw already is under way between China and the West. For 22 years since the Communists came to power in China scarcely a constructive word has been exchanged between the United States

and the People's Republic of China. Some dramatic events occurred over a table-tennis tournament a few weeks ago—incredible events. A great deal of credit for this unexpected and most hopeful development must be given to the U.S. government, and yet the suggestion was contained in the speech of one of the members of the opposition today that the United States would be offended by our action. Let me quote from an editorial of the *Christian Science Monitor,* a reprint of which appeared in the May 24 issue of the *Globe and Mail.* It reads:

> But there is no real basis for objection and Washington itself has just paid Trudeau foreign policy the supreme compliment of imitation. After all, he did open up the road to Peking which Washington is now trying to travel.

So we are living in a new world, a world which is apparently beyond the comprehension of the external affairs critics who reside in the official opposition. A few days ago the President of the United States announced a step to move the world to an era of negotiation so far as a de-escalation in the arms build-up is concerned. He declared that the deadlock at the strategic arms limitation talks with Russia is now over. Hard bargaining lies ahead before the nuclear super powers can actually slow down the lunatic arms race. But they have now agreed, after 18 months of negotiations, to work out simultaneously the limitation of defensive and offensive missiles. The breakthrough at SALT must not be regarded as an isolated development. Where there is progress in one area, it can be matched in another area. Fortunately, that is the philosophy of the government of this nation.

• (4:30 p.m.)

At Geneva, Canada's representative, George Ignatieff, continues with some success his efforts to achieve a ban on underground nuclear testing. He has persuaded the 25-nation conference to listen to scientists who claim that the latest seismological instruments will detect even small nuclear explosions 4,000 miles away. If scientists can prove it, that ought to lead to the signing of a treaty banning all nuclear tests—again a Canadian initiative, again a demonstration that wherever the vital interests of this nation are concerned we will sit down with any government, whatever its ideology, if we think the Canadian people can be thereby aided and the betterment of the world advanced. That has to be our philosophy.

There is much evidence to support the view that the nations of the world regard foreign policy as an extension of their own domestic self-interest. It may be that today the world's nations are interested in détente because, among other considerations, they can see no long-term future in the world for a build-up of armaments and a deterioration of the environment and they have come to realize, at least in part, the need for co-operation.

No one should be naive enough to assume that closer co-operation between Canada and the U.S.S.R., closer co-operation between the United States and the People's Republic of China or closer co-operation between any two other countries in the world represents an abandonment by them of their long-held goals or political ideologies. For our part, we would be guilty of a monstrous disservice to the Canadian people if we ignored, abandoned or neglected any initiative which may serve to improve the lot of our people and the world. It is in this spirit, a spirit of hope and optimism, that Canada has achieved the agreement with the U.S.S.R. which we are discussing today—and fortunately the vast majority of the Canadian people will hail it and will not support the narrow criticisms we have heard from the official opposition.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, on behalf of our party I welcome the Prime Minister (Mr. Trudeau) back to Canada and express the hope that he fully enjoyed his trip through the U.S.S.R. In fact, I am sure he did. I believe that the hon. member for Winnipeg North Centre (Mr. Knowles) expressed the sentiments of this party when he said it was a worth-while effort on the part of the head of the Canadian government to make personal contact, to talk to the people who rule the U.S.S.R. and to see that country.

I have read the protocol. It seems to me that there is a general understanding or agreement between our two nations to talk to one another, to consult on matters that are of mutual interest, probably to agree where we can agree and to disagree where we do not agree. Is there really any other basis upon which good relations can be established between countries? After all, countries are made up of peoples, and is this not the basis upon which individual people and groups operate?

I am pleased the Prime Minister pointed out that considerable discussion was undertaken in regard to trade between our two countries. Trade has been important. We have sold large quantities of grain to the U.S.S.R. Incidentally, one dealer in my constituency has half a dozen Roumanian tractors on display which he is selling to farmers in Saskatchewan. This is the kind of trade which all westerners are pleased to see because, being fairly practical people—and I take it that the citizens of the U.S.S.R. are the same—we are well aware that we cannot proceed on a one-way street so far as trade is concerned. We are aware that it must be two-way trade, that we must open our doors to the products which the U.S.S.R. has to sell and they in turn will be prepared to purchase from us the things that we have to sell.

I had the privilege of being in Geneva at negotiations on two occasions on the International Wheat Agreement. The negotiators for the U.S.S.R. approached the matter precisely as did the negotiators for Canada—on a practical, hard-nosed and workmanlike basis. So I think that the agreement which was concluded in 1956 and the second one which was signed in January this year will facilitate more trade between our two countries.

So far as consultation is concerned between our two nations in regard to the Arctic and to fisheries, if we can protect not only our interests but the ecology and the fisheries a lot will be gained. I understand that this kind of arrangement was being developed and was well under way before the Prime Minister undertook his journey, but it may very well be that further contact will be helpful.

Mention has been made by the Prime Minister of representations he made on behalf of people in Canada whose ancestry goes back to the Ukraine and to Russia. I have received representations from such groups. I went to school with the children of those people, know many of their families and have some idea of what it is all about. If the Prime Minister was able to make representations which may make things a little easier for them, I for one will be very pleased.

As Canadians, we must take the view that we are being realistic when we expand our relations with other countries through contact and consultation. When he was attempting to become President of the United States I remember Wendell Wilkie saying that we would have one world or no world. Of course, that is an absolute statement and probably not all that profound. But certainly we will have to learn to live together, particularly with the present state of technology in the world. We have no other alternative. Aneurin Bevan, the great British Socialist, in his book "In Place of Fear" published after the war—about 1946 or 1947—said it would be essential to the peace and welfare of the peoples of the world that contacts and working relationships be established between the two great ideologies which had emerged from the nineteenth century and which had taken up opposing positions after the Second World War. He was quite right; we did not do it. Instead, we went into opposing positions and have carried it through almost up to this time.

• (4:40 p.m.)

We cannot claim that the process has been an outstanding success but surely through gradual contact with other peoples we might learn to tolerate what we cannot accept because that is the only alternative. We certainly will not be prepared to accept the ideologies and the form of government of all other peoples in the world any more than they will be prepared to accept ours.

The war in Viet Nam, which has been carried on with terrible ferocity for many years, has not succeeded in changing anything. It has caused the death of a great many people and has devastated the countryside, but it has not convinced the people over there to change their ways. We have to recognize the facts. Times change, and it may happen that over the years we can find better ways of developing human relations throughout the world. Wendel Wilkie and Aneurin Bevan held two entirely different philosophies but they agreed that we must develop ways to live together. It must be the hope of people that we can do so.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, in the few minutes remaining I should like to ask some questions in connection with the very successful trip just completed by our Prime Minister (Mr. Trudeau). First of all, I should like to welcome him back. While I have not had much personal experience, I am told that travelling through many time zones is exceedingly tiring. I hope the "awkward squad" he left behind to look after things in Ottawa has not got them in such a mess that he will not be able to have a weekend of rest before being involved in affairs of state.

Any right-thinking person would applaud efforts to broaden the scope of personal and national contacts. This afternoon the Prime Minister mentioned things which are worth while—the exchange of information relative to Arctic technology, including navigation, prevention of pollution, exchange of educational and cultural ideas and increased trade. All this is a step in the right direction, but I submit that most of these things are already in effect. They were in effect before signing this protocol. Over the years Russia had loosened travel restrictions. We had trade relations with them and they bought products from us when it was in their interests to do so. We were getting along fairly well and situations were improving. But we were dealing, as I suggest we should, at arms length which was not a bad thing. We have not really accomplished anything new. The Prime Minister mentioned fishing, and that is fine. Representatives of the Soviet Union have been sitting in on the discussions at Halifax, so this is an improvement.

The question uppermost in the minds of most Canadians is, who instigated this protocol? Was it the Russians or was it Canada? I think this is important, but we have never been told. Who started negotiations, and who stands to gain? I think all Canadians were delighted that the Prime Minister was so warmly welcomed in Russia. I hope it was a genuine demonstration of affection, but remembering events as recent as those of 1968 in Prague I cannot quite accept that. I sincerely hope that I am proven wrong but I have a nagging suspicion that this great event may have been largely staged in order to embarrass and drive a further wedge between Canada and our closest and sincerest friend.

Some hon. Members: Hear, hear!

Mr. McCutcheon: I mean our NATO allies, and in particular the United States of America.

Mr. Sharp: That is nonsense, sheer fabrication.

Mr. McCutcheon: I cannot forget that the stated Soviet foreign policy is to discredit the United States of America in the eyes of the world. Sincerely, Mr. Speaker—and I cannot stress this too much—I hope that we have not been hoodwinked.

An hon. Member: Yes, we have.

Mr. McCutcheon: Let me refer for a moment to paragraphs 2 and 3 of the treaty, which I should like to read into the record:

> 2. In the event of a situation arising which, in the opinion of the two governments, endangers the maintenance of peace or involves a breach of the peace, the two governments will make contact without delay in order to exchange views on what might be done to improve the situation.
>
> 3. The provisions set forth in paragraphs 1 and 2 above do not affect obligations previously assumed by the parties in respect of third states and are not directed against any of them.

This simply means that nothing Canada has to say will have any effect on the behaviour of the U.S.S.R. or her

Warsaw Pact activities in the event that any of the subjugated nations become restive. Surely Canadians will not be so naive as to assume that this provision is designed for our benefit. Surely our relationship with the United States and our NATO allies would be affected. This is really nothing, except that Russia still wants to have the best of both worlds. In the May 20, 1971, edition of the Toronto *Telegram,* the Prime Minister is quoted as saying:

• (4:50 p.m.)

"Canada might risk losing her personality because of the overpowering United States neighbour, for which reason we have to diversify our relationships with other countries."

What a play on words! What a perversion of fact! We should have a complete debate in this House on the threat to which the Prime Minister has referred.

Some hon. Members: Hear, hear!

Mr. McCutcheon: If the government was really sincere, wanted meaningful discussion and wanted to take the Canadian people into its confidence, I suggest that this matter might have been handled differently.

Mr. Sharp: How?

Mr. McCutcheon: Are you still the Acting Prime Minister or are you—

Mr. Sharp: The Secretary of State for External Affairs.

Mr. McCutcheon: The Secretary of State for External Affairs asks, "How?". This minister would not permit the matter to be brought before the House in government time. The Prime Minister was to arrive on Monday with a prepared speech and each of the opposition parties was to be given a few minutes in which to reply. Nothing would have come out of that except of five-minute exchange.

I wish to comment on the remarks made this morning by the then Acting Prime Minister (Mr. Sharp). In my humble opinion he made a very specious argument. He compared this protocol with certain agreements made by previous governments. He referred to 1961 and other years. He was really comparing apples and watermelons, if we are to believe what the Prime Minister said this afternoon. These previous agreements, which were made without approval of the House—and he referred to that—do not have anything in common with this one. I make that statement having regard to the fact that the other agreements did not contain a change in policy or direction.

Mr. Sharp: Nor does this.

Mr. McCutcheon: The minister says "Neither does this," but this is not the inference that is being carefully put across to the Canadian people.

Mr. Sharp: By the opposition.

Mr. McCutcheon: I believe there are others who wish to participate in this debate, so I will not take any more time. I will conclude by saying that I am disturbed by certain developments in this country, some of which were alluded to last night on television by the hon. member for Cochrane (Mr. Stewart). He referred to certain Marxist students who were receiving government largess. I have in my hand an article which appeared in the Toronto *Telegram* pointing out the irony of the Canada Council awarding a $3,500 grant to Mrs. Phyllis Clarke, former chairman of the metro Toronto Communist Party. Bearing that in mind, I wish to quote as follows from one of the nice little books entitled "Foreign Policy for Canadians," put out by the Department of External Affairs:

External activities should be directly related to national policies pursued within Canada, and serve the same objectives.

Perhaps this has passed unnoticed by many Canadians, but I suggest it is time that they were reminded. I repeat:

External activities should be directly related to national policies—

If our national policies are to support Marxists, where are we being led?

Some hon. Members: Hear, hear!

Mr. Bell: Mr. Speaker, a member of the Créditiste party has been waiting to speak for some time. With the unanimous consent of the House, perhaps we could continue for another five minutes.

Mr. Deputy Speaker: The Chair is very pleased to accept the suggestion. I know the hon. member would like to have a few minutes. Is it agreed?

Some hon. Members: Agreed.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I thank the House for its great courtesy in allowing me to say a few words on the trip of the Prime Minister (Mr. Trudeau) to the U.S.S.R.

We are pleased to see that the Prime Minister did not do things by halves. To my mind, the trip was timely and Canada should benefit from it.

Mr. Speaker, as it is five o'clock, I do not want to keep the House too long, but I should like to congratulate the Prime Minister for the account he gave us of his beautiful trip; I also thank him for supplying us with a copy of the protocol and the report on the discussions he had with the representatives of that country.

We have to keep in direct contact with all countries of the world, regardless of their ideologies, their political philosophy and their economic system.

We must realize that there is something to be said for the economic policy of other countries even if we disagree with their ideologies. We are facing two great ideologies: capitalism and communism.

The capitalist system is good in some respect, even if it has serious deficiencies which should be corrected.

There are also deficiencies in the communist system, as unlike capitalism it deprives certain citizens of their freedom.

The communist system involves certain administrative principles which give good results in the countries which live according to its principles.

So even though we might not adopt the communist system as a whole, we could perhaps consider its principles in matters of financing. It is said that what is materially possible should be financially feasible.

If this principle is valid for Russia, it is probably valid also under a capitalist system such as ours provided we proceed to reform such a system.

• (5:00 p.m.)

On the contrary, one must hope. Having respected the two systems, our contemporaries must unite and get organized to force a confrontration on the only level where agreement is possible: the higher level of moral values, in brief, the very highest level of all. Instead of fighting them, we should reform them internally through patient, constant and determined efforts.

We must humanize capitalism and liberalize communism in order that the two may meet in the world of man, so that it may become what it should be, so that man may recover his rights and his privileges. Respect for the human being must be paramount. If we respect nations, we may come to respect individuals. Today, nations should have plenty of respect for one another, because we are all in the same boat. If we do not learn to know one another, to better appreciate one another, to live like citizens, like human beings, then if the boat is sunk, we shall all perish together, the victims of nuclear armament. In such circumstances, if we wish to be practical, we must show some consideration for one another and make use of all our resources for the greater good of the human race.

* * *

[English]

BUSINESS OF THE HOUSE

THE BUDGET—ORDER AS TO PRESENTATION AND DEBATE THEREON

Mr. Olson: Mr. Speaker, might I seek the unanimous consent of the House to deal with a matter which I understand has been discussed through the usual channels? I believe there is agreement for the following order to be passed by the House:

That if the day appointed for the next budget presentation by the Minister of Finance be a Friday, the House shall not adjourn that day at 5 o'clock p.m., but the sitting shall be suspended until 10 minutes after 5 o'clock p.m. and shall at that time be resumed in order to permit the said budget presentation and the preliminary remarks by the member speaking first on behalf of the opposition;

And that, immediately upon completion of the budget debate, the House shall take into consideration any Ways and Means motions presented in relation to the said budget and shall not adjourn until it has completed its consideration thereof, and has given first reading to any bills thereon.

I understand there is agreement among the parties that this motion shall be put and that it become an order of the House.

[Mr. Latulippe.]

Mr. Baldwin: Mr. Speaker, this "protocol" has just been placed before us and we have not had much time in which to examine it but I am sure the Minister of Agriculture, outside of agricultural matters, would be sure to give us the facts as they are. First, we give our consent to revert to motions. Basically we are in accord with the provisions of the proposed order, but I wish to make it plain that our understanding is that the Friday in question is a Friday in June. If it should happen that we get into July, there would be some disposition not to accept this arrangement.

The understanding is that we start on the budget at ten minutes after five. There would be some comment by the speaker for the opposition, the debate would continue in its usual way and there would be an opportunity to bring forward a bill or bills based on the budget, for first reading, despite the fact that there might not be enough time under the Standing Orders. That is our understanding and I take it this is what the minister intends. On this basis we are perfectly prepared to agree with it.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, as has been indicated by the hon. member for Peace River (Mr. Baldwin), this proposed order represents an agreement which has been reached among the House leaders. Like the hon. member for Peace River, I think that one or two other parts of the package should be on the record. I may say that these negotiations are carried out in a friendly and co-operative spirit; we do not have any trouble about them—but it is useful to have these points on the record.

Like the hon. member, we are agreeing to this order only if it is put into effect during the month of June. If the month of June goes by without this expected budget, the order is spent as far as we are concerned. There is agreement among us that if the Minister of Finance (Mr. Benson) makes his budget presentation on a Friday, the debate on that motion will not be resumed until the following Tuesday. If the budget is on the day we expect it to be, there will be enough days to get the six-day debate in.

The package includes a little more than is contained in the order. It is one we have all agreed to. I confess I asked myself a few minutes ago about those mysterious ten minutes, why the House should suspend at five o'clock and come back ten minutes later. I understand this would provide an opportunity to escort members of the press out of their locked-up cells to the press gallery to hear the minister's speech. Anyway, the order has our approval.

Mr. Olson: If I might comment on the questions which have been raised, I would suggest that neither of the hon. gentlemen who spoke were asking that the proposed order be changed. They wanted these things on the record. While I was not a party to the discussions, I have the same understanding respecting the month of June as has been expressed by the hon. member for Peace River (Mr. Baldwin) and by the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Deputy Speaker: Hon. members have heard the order and the remarks of the Minister of Agriculture (Mr. Oslson). It would seem to me the references to the month of June might call for an amendment. However, if hon. members are agreed that the proposed order be presented as drafted, subject to the remarks of the hon. member for Peace River and the hon. member for Winnipeg North Centre, I will put it on that basis.

Is it agreed that an order be made in those terms?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered. It being five o'clock p.m., pursuant to Standing Order 58(11) the proceedings on the motion previously before the House have expired.

At five o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Monday, May 31, 1971

The House met at 2 p.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF MEMBERS OF EXECUTIVE COMMITTEE OF GENERAL COUNCIL OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Speaker: May I draw the attention of hon. members to the presence in the Speaker's gallery and also partly in the Senate gallery of a distinguished group of parliamentarians from various regions of the Commonwealth. They are members of the Executive Committee of the Commonwealth Parliamentary Association's General Council who have just concluded their annual spring meeting held this year in Charlottetown, Prince Edward Island. They are with us today as guests of the Canadian branch of the Commonwealth Parliamentary Association. I am sure hon. members will want me to express to them on your behalf a most cordial welcome to Ottawa and to our national Parliament. We hope that their discussions here in Ottawa will be as fruitful as their meetings in Charlottetown have been and that they will enjoy their all too brief stay with us.

Some hon. Members: Hear, hear!

• (2:10 p.m.)

CONGRATULATIONS TO MR. SPEAKER ON INSTALLATION AS CHANCELLOR OF UNIVERSITY OF WINDSOR

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise briefly under the provisions of Standing Order 117 on a matter which I believe will meet with the approval of all members of the House. We should like to extend to you, Sir, our congratulations on your having been installed on Saturday as Chancellor of the University of Windsor.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): As one who had the privilege of being there for that occasion, I can say that your performance of your duties and the address that you made brought honour to this House. We are proud of you and we extend our warmest congratulations.

Some hon. Members: Hear, hear!

Mr. Speaker: Is the hon. member for Windsor-Walkerville perhaps rising on the same question of privilege?

Mr. Mark MacGuigan (Windsor-Walkerville): Your Honour's intuition is as usual infallible. As a member of the faculty of the University of Windsor perhaps I may be permitted to say that those associated with that university consider themselves to be singularly fortunate in having such a distinguished member of this House as their chancellor.

Mr. Speaker: I thank hon. members and I want to assure them, after 48 hours in my new office, that it is just as easy to be chancellor as it is to be Speaker.

ROUTINE PROCEEDINGS

NATIONAL RESOURCES AND PUBLIC WORKS

Seventh report of Standing Committee on National Resources and Public Works—Mr. Hopkins.

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

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THE CENSUS

EXAMINATION OF COMPLETED FORMS BY PRIVATE CITIZENS—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. A. D. Hales (Wellington): Mr. Speaker, I rise, pursuant to Standing Order 43, to ask for the unanimous consent of the House to move a motion in respect of a matter of urgent and pressing necessity. This urgent matter relates to the fact that census forms for rural areas and small towns, and the long forms for every third household, require these citizens to divulge information about their incomes, under pain of severe fine or imprisonment. This would be acceptable if such information were assessed and reviewed by career civil servants at centres generally remote from the areas surveyed. However, these returns are to be scrutinized and assessed by private citizens politically recruited from the local areas, in many cases neighbours of those required to give the information.

Therefore I move, seconded by the hon. member for Red Deer (Mr. Thompson):

That this House urges the government to reform the census procedures with respect to the scrutiny of rural areas and small towns census returns, and the returns on the so-called "long form", to ensure that such scrutiny is done exclusively by career public servants; and, further, that pending such reform, prosecutions for failure to file such a form be suspended.

Mr. Speaker—

Mr. Speaker: Order, please. The hon. member has indicated the essence of his motion. As he knows, no possibility is provided under the Standing Order to discuss the matter further at this time. The duty of the

Chair is to inquire whether there is unanimous consent as required by the terms of Standing Order 43. I therefore ask if hon. members, having heard the motion proposed by the hon. member for Wellington, give unanimous consent.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

* * *

AGRICULTURE

ANNOUNCEMENT OF REDUCTION IN DAIRY SUBSIDY HOLDBACK RATES

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I wish to inform the House that the Canadian Dairy Commission will reduce the rate of holdback from payments to industrial milk producers, for milk within quotas, to 20 cents per 100 pounds, effective June 1. The previous rate has been 26 cents.

The holdback on over-subsidy quota milk will be reduced from $1.25 per hundredweight to $1.05, and the comparable figures for cream will be from 8 cents to 5 cents per pound of butterfat. For deliveries over market quotas, the holdback will be reduced from $2.40 per hundredweight to $2.05 for milk and from 50 cents to 30 cents per pound of butterfat for cream deliveries. These changes in holdback will directly increase producers' returns by an equivalent amount.

The funds collected from the holdback are used to recover costs of export assistance on surpluses which have to be disposed of below Canadian support prices.

The present reduction is in keeping with the principle of adjusting the rate of holdback as conditions change. There has been a considerable recent improvement in world market prices for dairy products, although the price for skim milk powder, which is the main surplus product, is still below Canadian support levels.

While the world situation is favorable at present, there are some indications that present prices may not continue through the full fiscal year. Since it is not desirable to change the rates of holdback too often, the present rate has been set in the light of the necessity of projecting the position for some time into the future.

Should the revenue to the commission from the holdbacks exceed the funds required to dispose of surpluses produced during the present fiscal year by any significant amount there will be a refund to producers after the end of the dairy year which of course is March 31, 1972.

The commission is also establishing and will announce consequential changes in the rates of holdback on deliveries in excess of quota.

It has been possible to take this action to reduce the holdback because of the improved international situation brought on by recent and remarkable changes in the dairy surplus picture throughout the world. As I am sure members will appreciate, it is not possible for Canada, through its internal policies, to significantly affect the world supply although it cannot help but have a bearing. We have, however, been active in the international field and I would cite the skim milk powder agreement negotiated under GATT. It is our hope that the type of international co-operation that has recently existed will continue to the benefit of all concerned.

Mr. R. E. McKinley (Huron): Mr. Speaker, I am happy to note on behalf of my party that the minister has finally listened to some of the representations which have been made to him in this regard by the official opposition. In view of some of the problems the farmers' unions have in getting the ear of the Minister of Agriculture, I am happy to note also that he has listened to some of their representations in this regard. I should like to read a portion of their representation made earlier this year. They said:

> On a world scale, it is undeniable that 1971 was a year during which the dairy products market experienced an improvement. The enormous mountains of butter and powdered skim milk which were accumulated in North America and in Western Europe, have been considerably reduced—

Mr. Speaker: Order, please. I have to interrupt the hon. member. There seems to be some irregularity about hon. members taking the opportunity provided by the Standing Orders when commenting on a ministerial statement to put on the record statements made outside the House by other people. I really do not think it is quite in order to follow that course of action. I would invite the hon. member to submit for the consideration of the House and the benefit of all hon. members his own comments at this time.

Mr. McKinley: I agree, Mr. Speaker. I think I have read enough to let the House and the people know that the minister does occasionally listen to these people. It is rather ridiculous sometimes that farmers' organizations and others have to bring these things to the attention of the minister time after time before they can get him to act.

One thing is missing from this statement. In respect of the increase that will come to the farmers as a return for their milk production, nowhere in this statement does the minister promise that there will be no reduction in the subsidy in the future that would take this money away from them. When the increase in the price of powdered skim milk was announced some time ago I questioned the minister in an effort to get all this return for the farmers but in the end only half of it got to them.

• (2:20 p.m.)

Now the Minister of Finance fools around—

Mr. Bell: He sure does.

Mr. McKinley: —with financial arrangements in this country. We in the Conservative party believe that if we had a prosperous agricultural economy throughout the country many of our unemployment problems would be

solved. There is no way in which this can be achieved by removing two-thirds of the farmers from the farms. I have personally witnessed in the dairy industry in my own locality a number of dairy farmers selling out because the returns are not sufficient to enable them to continue to operate. Anything that can be done to increase the returns to dairy farmers in Canada is certainly worth while. The minister has taken some action in this respect, and we hope that this is an indication of better things to come in the future.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I think that the minister has certainly been well advised to make these changes in light of the changes that have taken place in marketing conditions. This statement indicates the situation that has developed in that it has been extremely difficult for the Canadian Dairy Commission to forecast adequately the changes that have taken place in market demands for dairy products and it is now trying to catch up with the changed situation. This points up the need, not only in the dairy industry but in other aspects of agriculture, for those who are now in the business of planning and programming the farmers—that is what they are trying to do—to get more accurate information or be more careful about their programming and the planning, either the one or the other.

I suggest to the minister that he read an editorial which appeared recently in the *Western Producer*, a western Canadian publication. In it there is the most severe condemnation of a government policy that I have ever seen. They say that this program, along with the red tape and other forms of torture, has rapidly thinned the ranks of cream shippers, and is one of the cruellest things that has been done to the cream shippers of western Canada. While I admit that the Dairy Commission has been willing at times to listen to representations on behalf of individual producers, the total effect on the ordinary cream producer in Saskatchewan has been really rough. They have suffered as a consequence of the policy being followed which is forcing a specialization that is resulting in the same kind of syndrome as that experienced in Ontario where the manufactured milk shipper is helping to create an added surplus of milk powder, whereas if the ordinary cream producer were given a break he would feed some of that byproduct—

Mr. Speaker: Order, please. I hesitate to interrupt the hon. member but I believe it is my duty to remind him and others who may be speaking after him on this ministerial statement, as well as those who have spoken before him, that the Standing Order requires that statements at this time should be brief. As I have said before, it is always difficult to estimate what brevity is. Perhaps the hon. member thinks he is being very brief in making his speech. It is difficult for the Chair to indicate to the hon. member that he should not prolong his remarks too much, but I would invite him at the first opportunity, during the current sitting if possible, to bring his remarks to a close so that we can continue with the consideration of the matter raised by the hon. member.

Mr. Gleave: Thank you, Mr. Speaker. I shall try to be brief. I shall finish very quickly, but there are so few opportunities for members to call to the attention of the minister what he is doing to the ordinary cream shipper in Saskatchewan that I feel it necessary to do so now. Perhaps to some extent we can impress on these planners that they really cannot deliver a total Utopia to the western producers and that very often they are delivering disaster instead.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, today the Minister of Agriculture (Mr. Olson) deserves some congratulations undoubtedly due to the circumstances prevailing on international markets and to some other causes.

He has announced a reduction for producers under the quota system. They used to be asked 26 cents per hundred pounds for export assistance, but they will now have to pay only 20 cents.

As for the holdback on over-subsidy quota, it will be lowered to 20 cents per hundred pounds, while that on cream will be reduced from 8 to 5 cents per pound of butterfat.

However, I think that the producers are now concerned about shipments and even if the penalty of $2.40 is reduced by 35 cents when shipments are over the allowed quota, I should like to bring this point to the attention of the minister, because I feel that this is what is now doing so much harm to the average and small producers, the big ones having had time to make proper arrangements before being hit with a fine. The minister would do well, in the future, to pay more attention to the small producer.

Today, the minister tells us that this improvement was brought about by the demand on the world market, but I wonder if that is the reason for the apparent improvement. If the dairy market shows some balance today, I believe that it is due to a large reduction of the dairy herds, especially in Quebec. Instead of stimulating production, farmers were forced to sell their herds, to stop production, in order to ensure this balance. The fault lies not so much with the fact that surpluses have been eliminated as with the lack of aid.

Today, under-consumption is caused by the government that has not come up with a policy to promote greater consumption of dairy products. If the farmers who have held firm benefit from this, I am happy and, once again, I ask the minister to come to the aid of the farmers who want to increase their returns. But, all the time the cry is heard: "They must die." I believe that the large producers should set an example and stop shouting: "They must die." Some of them should die once in a while so that the small and average farmers may live.

I thank the minister for his statement and I hope that as soon as possible he will reduce these fines which the farmers can no longer "digest".

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

POLLUTION—USE OF AEROBES IN CLEANING UP OIL POLLUTED WATERS

Question No. 1,097—**Mr. Yewchuk:**

1. Has the government any information on the use of aerobes in cleaning up water polluted by oil refinery operations in the Baytown, Texas area and, if so, will the government consider their use in Canadian oil-polluted waters?

2. Is the information available as to the cost of using such micro-organisms in comparison with pollution control installations used to purify water polluted with oil and, if so, what is the cost?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): 1. The Government has no specific details of installations at the Baytown, Texas refineries, but we are aware of numerous current applications of the principle in various parts of the world including Canada.

2. Yes. Under reasonable conditions costs can range from four-eight cents per 1,000 gallons of waste treated but when relative capital costs are high, or conditions adverse, costs could exceed these figures.

ESTIMATED DEBT FOR AVERAGE CANADIAN FAMILY

Question No. 1,223—**Mr. Mather:**

What is the estimated debt for the average Canadian family including the nine billion, eighty-seven million dollars of debt for Canadian families reported by DBS in November, 1970, plus the approximate debts owed to oil companies, credit unions, retail stores reporting quarterly and doctor and dentist bills?

Mr. Bruce Howard (Parliamentary Secretary to Minister of Industry, Trade and Commerce): Statistics Canada (Dominion Bureau of Statistics) reports that: At the present time DBS has no statistics on the debt of the average Canadian family. However, DBS recently carried out a survey on family income, indebtedness and asset holdings. The results will not be available until the latter part of this year. These surveys are only conducted occasionally, and the last one was taken in 1964. In December 1970, total consumer credit outstanding was $11,406 million. This includes amounts owed on all charge accounts, oil company credit cards, and instalment debt. It does not include debt to doctors and dentists. These statistics are obtained from lending institutions and not households.

LABOUR DISPUTES—JASPER LODGE AND CHATEAU LAURIER

Question No. 1,313—**Mr. Fortin:**

What stage has been reached in the "Jasper Lodge" and "Château Laurier" labour disputes with respect to minimum salaries?

Hon. Bryce Mackasey (Minister of Labour): Canadian National Railways has appealed to the Alberta Supreme Court the July 7, 1970 decision of the Canada Labour Relations Board to certify the Canadian Brotherhood of Railway, Transport and General Workers as bargaining agent for its employees at Jasper Park Lodge, Jasper, Alberta, on the grounds that this operation is not within the legislative authority of the Parliament of Canada. This case is still before the Court and judgment has not yet been delivered. The decision of the Court should resolve current differences of opinion concerning the application to certain hotels of federal labour laws, including the Canada Labour (Standards) Code.

DEPARTMENT OF PUBLIC WORKS—MEETING OF SENIOR OFFICIALS AT MONTEBELLO, QUEBEC

Question No. 1,330—**Mr. Schumacher:**

During the month of April 1971, did senior officials of the Department of Public Works hold meetings at the Seignory Club in Montebello, Quebec, to discuss reorganization of the Department and, if so (a) what was the expense involved (i) as to accommodation for meetings and participants (ii) transportation (iii) meals and *per diem* expenses (b) for what reasons were government facilities in Ottawa not used (c) what was the duration of such meetings (d) what conclusions were reached?

Hon. Arthur Laing (Minister of Public Works): Yes, (a) (i) and (iii) $4,638.27. Accommodation and meals not treated separately as expenses were based on American (meals inclusive) plan. (ii) $2,221.48. (b) It was essential that the agenda of the Conference be the singular concern of the participants. It was thus decided to hold the Conference in an environment which would minimize the potential conflict between the normal operating responsibilities of the participants and the conference objectives. (c) From the evening of April 19 to the evening of April 21, 1971. (d) It was not the objective of the meetings to reach conclusions but to permit a full exchange of views among management personnel to ensure that the conclusions finally reached by management are based on sound consideration of all the factors involved.

DEPARTMENT OF PUBLIC WORKS—SEMINAR HELD IN MIAMI, FLORIDA, 1971

Question No. 1,331—**Mr. Schumacher:**

1. Is there a designation of "Zone Manager" within the Department of Public Works and, if so, what is the function or duties performed by a person so designated?

2. Did any Zone Managers, other officials or employees of the Department attend a seminar in Miami Beach, Florida during the month of April 1971 and, if so (a) what was the purpose of the seminar (b) what expense was involved (i) as to accommodation for meetings and participants (ii) transportation (iii) meals and *per diem* expenses (c) what was the duration of the seminar (d) how many employees of the Department attended the seminar and, in each case, what position do they hold within the Department?

Hon. Arthur Laing (Minister of Public Works): 1. Yes. A Zone Manager, under the general direction of an Area

Manager, directs and operates the property management zone activities and ensures that the most efficient and economical use of labour and finances is exercised in renovations, alterations, repairs, cleaning, elevator services and utilities in Crown-owned and leased premises.

2. Yes, seven employees attended a course in Miami, Florida in April 1971. (a) The course is designed to study the latest technique in office building management as determined by the Institute of Real Estate Management. (b) (i) $19.76 per manager per diem; (ii) $162 per manager; (iii) $15 per manager per diem. (c) Seven days, April 18 to 24 inclusive. (d) Seven people attended the course, five were Zone Managers, one an administrator of Real Properties Inventories, and the other the Head, Federal Central Real Properties Inventory.

PUBLIC SERVICE—HIRING AND DISCHARGE OF MR. JULES DEMICHER

Question No. 1,359—**Mr. Nowlan:**

1. What were the names of individuals and the dates they were first considered or contacted, with respect to the senior financial and administrative job in the Department of Industry, Trade and Commerce and (a) in what manner and for what reasons did the government come to (i) consider approaching (ii) contact Mr. Jules Demicher (b) on what date and for what purpose did he first contact the government?

2. (a) Was the position of Assistant Deputy Minister for the Department of Industry, Trade and Commerce filled by competition and, if not, for what reason (b) what were the job specifications or descriptions for that post (c) were these specifications or job descriptions modified during the course of 1968-70 and, if so, in what manner?

3. (a) Did the federal government invite, or make a suggestion to Mr. Jules Demicher, to move to Canada (b) were any costs of transportation for Mr. Demicher and his family paid by the government, and (i) if not, for what reason (ii) if so, what were those costs, on what date and where did such transport originate (c) what was the nature and salary rate of the offer of employment made by the Public Service to Mr. Jules Demicher (d) for what period was he paid by the government (e) what were the total payments made by the government to and for Mr. Jules Demicher?

4. With respect to the senior financial and administrative job or the post of Assistant Deputy Minister in the Department of Industry, Trade and Commerce (a) in what ways were the qualifications of the individual appointed superior to those of Mr. Jules Demicher (b) was Mr. Demicher sufficiently fluent in and able to work in English and French (c) in the Autumn of 1968, was a stipulation made that a French Canadian be appointed and, if so (i) by whom (ii) on what authority (iii) in what manner was it made known (iv) to whom was it communicated (v) on what date (vi) does this represent government policy?

5. With respect to the discharge of Mr. Jules Demicher by the Public Service Commission (a) was appropriate Public Service employment available at the time of his discharge (b) have the circumstances of his discharge been investigated by, or referred for investigation to the Language Commissioner (c) what is the nature of the investigation of the Jules Demicher case underway in the Labour Department (d) are the results of the later investigation to be made public and, if not, for what reason?

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): As this matter is still the subject of an inquiry, it would be inappropriate to provide the information requested.

Order for Return

SUMMER WORKS PROGRAM

Question No. 1,364—**Mr. Comeau:**

Has the Department of Public Works made plans to implement a Summer Works Program to alleviate the unemployment situation, and (a) if not, for what reasons (b) if so, on what date can an announcement be expected?

Hon. Arthur Laing (Minister of Public Works): The works program of the Department of Public Works traditionally is at its peak during the summer months and consequently no plans have been formulated to date for a separate Summer Works Program, as such. In addition to staff engaged by consultants, contractors and suppliers in relation to the current year's Public Works program, the Department expects to engage approximately 558 students and 517 casual employees during the summer months in addition to its full time establishment.

RAPESEED FREE OF ERUCIC ACID

Question No. 1,399—**Mr. Yewchuk:**

1. How many varieties of rapeseed free of erucic acid have been (a) developed by the Department of Agriculture (b) imported and from what countries?

2. Have agreements been reached by the government with other countries for the export of (a) rapeseed free of erucic acid (b) rapeseed products and, if so, with what countries?

3. Has the government set a price per bushel for rapeseed which will be sold on (a) the domestic market (b) the export market?

4. Will the government have representatives on the mission sent by the Rapeseed Association of Canada, to South America?

Hon. H. A. Olson (Minister of Agriculture): 1. (a) Three varieties of rape which produce seed free of erucic acid have been licensed. They are: Oro, Span and Zephyr. (b) No variety or varieties of rape that produce seed free of erucic acid have been developed in countries other than Canada.

2. No.

3. The Government does not set prices for rapeseed.

4. The Government was not represented on the mission of the Rapeseed Association to South America in 1971.

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QUESTION PASSED AS ORDER FOR RETURN

PERSONNEL IN OFFICES OF PRESENT CABINET MINISTERS

Question No. 520—**Mr. Coates:**

1. What are the names, positions and salaries of each of the persons employed in the offices of each of the Cabinet Ministers in the present administration at the present time?

2. In each instance, what was the staff of each of the Cabinet Ministers as compared with one year ago?

3. Are there any conditions placed on the number of employees each Minister might recruit for his personal staff and, if so, what are these conditions?

Return tabled.

Inquiries of the Ministry

• (2:30 p.m.)

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

FIRST QUARTER GNP GROWTH—MEASURES TO STIMULATE ECONOMY

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Minister of Finance who has just entered the House. He will have to be on the job more if he is going to get the gross national product moving forward satisfactorily. In view of the report by the Dominion Bureau of Statistics that the gross national product grew at a disappointing rate during the first three months of this year, substantially below the rate of increase during the final quarter of 1970, is it still the minister's position and that of the government that the economy is moving forward satisfactorily and that unemployment will fall by a satisfactory rate or is the minister now prepared to take measures to stimulate the economy and get it moving forward at a satisfactory rate?

Mr. Speaker: Order, please. It seems to me that the whole question asked by the Leader of the Opposition is in the form of a proposition to the House or an argument, and I wonder whether the question in those terms is acceptable. Perhaps the Leader of the Opposition might like to rephrase the question.

Mr. Stanfield: Mr. Speaker, my question is whether, in view of the report of the Dominion Bureau of Statistics regarding the GNP figures for the first quarter of this year, the Minister of Finance is now prepared to take measures to stimulate the economy of the country?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, starting a year ago we have taken measures to stimulate the economy in Canada. Whether it requires further stimulation is a matter which the government will have to decide, and I shall be bringing forward a budget in the near future.

* * *

WELFARE

MEASURES TO AVOID REDUCTION IN PAYMENTS—SUGGESTED MEETING WITH PROVINCES AND CITIES

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question for the Minister of National Health and Welfare, Mr. Speaker. In view of the report that the city of Halifax is finding it necessary to reduce welfare payments, an indication of what is taking place in many cities across this country, is the minister prepared to meet with the provinces and cities with a view to adopting measures to ensure that deserving Canadians do not go hungry as a result of the municipalities having to cut down on welfare because of additional unemployment?

[Mr. Coates.]

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as I have indicated before in the House, the provisions of the Canada Assistance Plan amply reveal the willingness of the federal government to share in these costs. On the question of getting together with the provinces to discuss this matter or other questions of this kind, may I say that I am meeting with the provincial ministers next week.

Mr. Stanfield: I have a supplementary question for the Prime Minister, Mr. Speaker. Will the government increase its effort to fight these evils to at least half the effort it is making to try to win the constituency of Central Nova?

Mr. Speaker: Order, please.

HALIFAX—REPORTED REQUIREMENT THAT APPLICANTS OBTAIN EMPLOYERS' SIGNATURES BEFORE ASSISTANCE GRANTED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Minister of National Health and Welfare which is related to part of the questioning by the Leader of the Opposition. In view of reports from Halifax that welfare officers are requiring certain welfare applicants to get the signatures of 20 or 30 employers before they can be granted welfare, will the minister have an investigation made into this practice to determine whether it violates the provisions of the Canada Assistance Plan?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, as I have indicated, we will be meeting with the provincial welfare ministers at the beginning of next week. Undoubtedly such situations, and others to which hon. members referred last week, will be discussed by the welfare ministers at that time.

Mr. Forrestall: Will you raise it?

SUGGESTED INCREASE IN FEDERAL PAYMENTS UNDER CANADA ASSISTANCE PLAN

Mr. Les Benjamin (Regina-Lake Centre): May I ask a supplementary question, Mr. Speaker. In view of the fact that the problem does not concern the 50 per cent share of welfare costs which the federal government pays, will the government consider picking up a portion of the additional cost that the provinces and municipalities have to pay? Will the federal government increase its contribution beyond 50 per cent?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, at this point I cannot add anything to what the Minister of National Health and Welfare has just said, that he is meeting with the welfare ministers of all the provinces next week and they are going to discuss various questions, including the Canada Assistance Plan. There is nothing that can be announced to the House at this point.

[*Translation*]

THE CANADIAN ECONOMY

INFLATION AND UNEMPLOYMENT—CONSULTATION WITH EXPERTS TO FIND SOLUTIONS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask the Prime Minister a question concerning unemployment and inflation.

When this government tries to fight inflation, there is an increase in unemployment. When jobs are created, there is an increase in inflation. Would the Prime Minister tell the House whether the government is currently using experts, economists, sociologists and so on to find a cure for these two evils and whether these experts have suggested a program to this end?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are certainly employing experts to study these problems. The Department of Finance has many experts studying the question. The Prices and Incomes Commission has also been working on a solution for two years. The Bank of Canada also has a number of specialists who are concerned with this problem.

Mr. Caouette: Mr. Speaker, I want to direct a supplementary question to the Prime Minister.

Would he not agree to adding a few Créditistes to these experts, in order to come up with a solution—

Mr. Speaker: The supplementary question of the hon. member is more in the nature of a suggestion and he must take it for granted that it will be considered by the Prime Minister.

* * *

[*English*]

PUBLIC SERVICE

FIREMEN'S STRIKE, EDMONTON INTERNATIONAL AIRPORT —ACTION TO END DISPUTE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, in the absence of the Minister of Transport and the Minister of Labour I shall direct my question to the Parliamentary Secretary to the Minister of Labour. In view of the strike of firemen at Edmonton International Airport, with the threat of a spread of the strike, will the minister report to the House what steps he is taking to make sure that this labour dispute is brought to an end soon, it now having been in negotiation for seven months?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): The hon. member has asked an important question, Mr. Speaker, but I would point out that it comes under the jurisdiction of the Treasury Board. As the men involved are civil servants, it is not within the ambit of responsibility of the Department of Labour. I would be pleased, however, to communicate to my minister the gravity of the situation as reported to the House.

Mr. Lambert (Edmonton West): Notwithstanding the fact that the men in question may be public servants, I wonder whether the Minister of Labour would put some of that vaunted ability of his to work in getting this dispute settled immediately?

Inquiries of the Ministry

EXTERNAL AFFAIRS

OPPORTUNITY FOR JEWS TO EMIGRATE FROM SOVIET UNION TO ISRAEL

Mr. Heath Macquarrie (Hillsborough): I have a question for the Prime Minister, Mr. Speaker. In view of the Prime Minister's report to the House on Friday of Mr. Kosygin's assurance that the allegations of Soviet refusal to allow the emigration of Soviet Jews to Israel were unfounded and that the Canadian government has corroborated this statement, can the Prime Minister now advise whether the government of Israel was among those with whom the matter was checked and if that government is now as satisfied as he is with these assurances?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. We have figures from various sources, but the government of Israel has agreed that there has been a substantial increase in immigration from the Soviet Union.

SIMILARITY OF UKRAINIAN FIGHT FOR LIBERATION AND FLQ MOVEMENT—REQUEST THAT PRIME MINISTER APPEAR BEFORE SPECIAL COMMITTEE

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question, Mr. Speaker. I wish to ask the Prime Minister, now that he is safely back in Canada, whether he still believes that the Ukrainian fight for liberation in the U.S.S.R. is similar to that engaged in by the FLQ last fall?

Mr. Speaker: Order, please.

Mr. Woolliams: Mr. Speaker, may I rephrase that question. It is very important.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. That question, of course is not in order. Perhaps the hon. member for Calgary North would like to rephrase his question. I have to recognize the hon. member for Gander-Twillingate in a moment on a supplementary to the previous question, and we will return to that matter.

Mr. Woolliams: Mr. Speaker, in light of the statement that the Prime Minister made over the weekend on the radio, would he be prepared to go before the special committee that is to be set up and give evidence in reference to his position regarding the liberation of Ukrainians and make clear his position with regard to the FLQ and future, repressive legislation?

An hon. Member: That is some rephrasing.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will gladly answer any questions put to me in the House on this matter.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Woolliams: Mr. Speaker, the Prime Minister may be very glib—

Mr. Speaker: Order, please. The Prime Minister has said that he will answer any questions asked in the House but the questions, of course, must be acceptable from a procedural standpoint.

Mr. Woolliams: Mr. Speaker, may I put another question to the Prime Minister. I realize, Mr. Speaker, that the Prime Minister likes to answer questions here, but would he be prepared to answer a serious question and a series of questions in the committee that will be set up as a result of his own resolution?

Mr. Trudeau: Mr. Speaker, I see no better forum for answering questions than the House of Commons.

Some hon. Members: Hear, hear!

Mr. Woolliams: Why did you people change the rules, then?

Mr. Speaker: Order, please. I believe the hon. member for Gander-Twillingate has a supplementary to a previous question.

Mr. Lundrigan: Mr. Speaker,—

Mr. Paproski: May I ask a question?

Mr. Lundrigan: All right—

Mr. Speaker: Order, please. I thank the hon. member for Gander-Twillingate for his co-operation and his suggestion that another hon. member should have the floor although he himself has been recognized. The hon. member for Regina East.

Mr. Burton: Mr. Speaker, I wish to direct my question to the Parliamentary Secretary—

Mr. Speaker: Order, please. The hon. member for Gander-Twillingate rises on a question of privilege.

Mr. Lundrigan: Mr. Speaker, my supplementary was in reference to an earlier question, and I think the urgency of this question—

Mr. Speaker: Order, please. That is not a question of privilege. The hon. member will be recognized in a moment. The Chair also intends to recognize the hon. member for Edmonton West later. As hon. members know, there must be an attempt by the Chair to give an opportunity to representatives of different parties to ask their questions from time to time. That is why, at this point, I feel I ought to recognize the hon. member for Regina East.

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PROVINCIAL AFFAIRS

SASKATCHEWAN ELECTION—LEAVE OF ABSENCE FOR FEDERAL PUBLIC SERVANTS TO BE CANDIDATES

Mr. John Burton (Regina East): Mr. Speaker, in the absence of the Secretary of State I wish to direct my question to his parliamentary secretary. Will the parliamentary secretary, on behalf of the Secretary of State, assure the House that no impediments are placed in the way of federal public servants who wish to obtain leave of absence from their posts in order to run as candidates in the Saskatchewan election?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps it is time to return to the question to be asked by the hon. member for Gander-Twillingate. I think we should try to dispose of the original question first, and then I will recognize supplementaries on the second question proposed by the hon. member for Edmonton Centre and others.

Mr. Burton: On a point of order, Mr. Speaker, may I rephrase my question?

Mr. Speaker: Order, please. At this time I must seek the hon. member's co-operation. I have recognized the hon. member for Gander-Twillingate.

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PUBLIC SERVICE

FIREMEN'S STRIKE, EDMONTON INTERNATIONAL AIRPORT —REQUEST FOR STATEMENT ON SITUATION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, to return the urgency of a previous question, may I put a quick supplementary to one of the eight ministers present. Perhaps I could direct it to the Acting President of the Treasury Board. Can we have an undertaking that a statement will be made tomorrow concerning the impending walkout of firefighters throughout Canada, in sympathy with the firefighters at Edmonton international airport, in view of the fact several airlines have indicated their lack of desire to land at international airports where there is not proper firefighting control and patrol? This is an urgent matter which could tie up the whole nation. I wonder if there could be that kind of undertaking?

Mr. Alastair Gillespie (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I will be pleased to take that question as notice and refer it to the President of the Treasury Board.

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EXTERNAL AFFAIRS

DISCUSSION BY PRIME MINISTER WITH SOVIET AUTHORITIES CONCERNING RELEASE OF VALENTYN MOROZ

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct my question to the Prime Minister. Would the Prime Minister please advise the House what discussion took place as to the release of a great Ukrainian, Valentyn Moroz, during his brief visit with Mr. Brezhnev and Mr. Kosygin?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I made no representations personally about that matter, although I understand that some members of my party did. I will try to ascertain what happened and report.

Mr. Paproski: A supplementary question, Mr. Speaker. Why did the Prime Minister show discrimination and a lack of intestinal fortitude by not bringing up this very important matter?

Some hon. Members: Shame!

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member will appreciate that that is not a supplementary question. It is a speech.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Will the hon. member kindly resume his seat. The hon. member for Regina East.

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PROVINCIAL AFFAIRS

SASKATCHEWAN ELECTION—LEAVE OF ABSENCE FOR FEDERAL PUBLIC SERVANTS TO BE CANDIDATES

Mr. John Burton (Regina East): Mr. Speaker, may I rephrase the question I asked previously of the Parliamentary Secretary to the Secretary of State. Will the parliamentary secretary undertake to investigate the case of an employee of the Department of Indian Affairs and Northern Development who has apparently not yet been granted leave of absence for which he applied two months ago in order to run as a candidate in the Saskatchewan election?

An hon. Member: Who for?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, I will be pleased to look into this. Possibly the hon. member could give me the name of the individual concerned.

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EXTERNAL AFFAIRS

FREEDOM FOR NATIONALS UNDER RUSSIAN DOMINATION —DISCUSSION UNDER PROTOCOL WITH SOVIET UNION

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I direct a question to the Prime Minister. In view of his rather casual treatment of the question of freedom for some of the nationals under Russian domination, can he indicate to the House whether humanity will best be served by his not taking up the cause so that world opinion might pressure the Russians into allowing these people their freedom?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, since the hon. member refers to the argument of humanity, I think that arguments based on humanity can be best made by parties who are in a good relationship with one another. That is why we have signed this protocol with the Soviet Union, in the hope that we could do that.

Some hon. Members: Hear, hear!

Mr. Korchinski: A supplementary question, Mr. Speaker.

Mr. Woolliams: The Soviets also signed an agreement with Hitler and that did not work out very well either.

Mr. Korchinski: Prior to signing the protocol, did the Prime Minister have any assurances from the Russian authorities that the question of the freedom of these people would be one of the subjects that would be discussed at a future date?

Mr. Trudeau: Mr. Speaker, I missed the whole first half of the question because some of the Conservative members were shouting.

An hon. Member: This is just like old times.

Mr. Korchinski: Mr. Speaker, hon. members were probably shouting because the Prime Minister did not take up the cause of freedom for the Ukrainian nationals.

Mr. Speaker: Order, please.

ALLEGED COMPARISON BY PRIME MINISTER OF UKRAINIAN NATIONALS AND FLQ

Mr. William Skoreyko (Edmonton East): I have a supplementary question, Mr. Speaker. Could the Prime Minister tell the House what justification there was for his remark comparing the Ukrainian nationals with the FLQ in Quebec?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was not comparing the nationals of any country with the nationals in Quebec. I was indicating that the position of the Canadian government was that we were not supporting the independence of any part of any other country which is recognized under international law any more than we would want any other country to support the independence of any part of Canada.

Some hon. Members: Hear, hear!

Mr. R. N. Thompson (Red Deer): A supplementary question, Mr. Speaker. In regard to Valintin Moroz, who has never preached the separation of the Ukraine from Russia, who has never been guilty of violence and has never preached violence—

Mr. Speaker: Order, please. The hon. member was recognized for the purpose of asking a question. He should do so and not make a speech.

Mr. Thompson: Mr. Speaker, my question is this. Do you equate freedom of speech with violation of the law or apprehended insurrection?

Mr. Speaker: Order, please. That is obviously debate and argument. It is not a question.

Mr. Thompson: On a question of privilege, Mr. Speaker, and with due courtesy to yourself, the Prime Minister has invited questions. He said that this is the place where we should ask our questions.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The hon. member for Hillsborough.

OPPORTUNITY FOR JEWS TO EMIGRATE FROM SOVIET UNION TO ISRAEL

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, may I ask the Prime Minister a supplementary question. Was the government of Israel one of the sources of corroboration of the statement of Mr. Kosygin that the statements about Soviet resistance to Soviet Jews going to Israel were unfounded? Has he actually ascertained that the government of Israel is now satisfied with the way the government of the Soviet Union is treating those of its citizens who wish to go to Israel?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, I did not say that the government of Israel was satisfied that everyone who wanted to leave the Soviet Union to go to Israel could do so. I said that they are satisfied that the number has increased.

Mr. Macquarrie: Were they one of those listed by the Prime Minister on Friday in his speech as having corroborated the statement of Mr. Kosygin? Were they among that group or not?

Mr. Trudeau: I fail to understand the question.

Mr. Macquarrie: The Prime Minister said the Canadian government had corroborated from various sources that Mr. Kosygin's statement was correct. I ask him now whether the government of Israel was one of those sources?

Mr. Trudeau: Yes, Mr. Speaker. I stated that Mr. Kosygin said they had in recent months permitted an increasing number of Soviet citizens of Jewish origin to leave the Soviet Union for Israel. And I say that the Canadian government did ascertain this to be a fact from various sources, one of them being the government of Israel.

Mr. Speaker: Order. The Chair will recognize the hon. member for Annapolis Valley on a supplementary on the same subject and then go to a representative of one of the parties to the left of the chair.

DISCUSSION OF STATUS OF CZECHOSLOVAKIA BY PRIME MINISTER WITH SOVIET AUTHORITIES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question arises out of the Prime Minister's answer to the hon. member for Mackenzie. In view of the Prime Minister's reference to humanity in relation to the status of independent countries and his statement that he was not going to interfere, I wonder whether in his talks with either Brezhnev or Kosygin he discussed the status of Czechoslovakia and the plight of that country since 1968?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. John L. Skoberg (Moose Jaw): In view of the importance the Prime Minister now places upon parliamentary committees, would he not agree to appear before the committee on external affairs to answer these questions which are taking up the time of the House right now?

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FINANCE

INCLUSION OF MEASURES TO ASSIST AGRICULTURAL INDUSTRY IN BUDGET

Mr. G. W. Baldwin (Peace River): Mr. Speaker, if I might be allowed to turn the attention of the government to its domestic problems rather than its external ones, I should like to ask the Minister of Finance this question. Having regard to the very flexible decision he has taken to allow input into the budget up to 48 hours before the time the budget, and probably the minister, leave the launching pad, can the minister assure the agricultural industry that its very special plight and deteriorating situation, as evidenced by the recent DBS figures, will be the subject of remedial treatment in the forthcoming budget?

Hon. E. J. Benson (Minister of Finance): I think my colleague, the Minister of Agriculture, and the government generally have been doing a good deal and are proposing to do a good deal more to help the agricultural industry, if they can get co-operation from the other side of the House.

Some hon. Members: Hear, hear!

Mr. Baldwin: As requested by the Minister of Finance I will ask the Minister of Agriculture whether he will give some indication shortly that the government intends to modify its present legislation directed to forcing small family farmers off the land?

Hon. H. A. Olson (Minister of Agriculture): Nothing could be further from the truth than that assertion.

Some hon. Members: Hear, hear!

SUGGESTED INCLUSION OF MORATORIUM ON REPAYMENT OF FARM LOANS IN BUDGET

Mr. Don Mazankowski (Vegreville): I should like to ask the Minister of Agriculture whether he has made any representations to the Minister of Finance calling for a temporary moratorium on the repayment of farm improvement loans and Farm Credit Corporation loans in the forthcoming budget in view of the fact that farm cash receipts are continuing to decline and farmers are experiencing serious difficulty in discharging their obligations?

Hon. H. A. Olson (Minister of Agriculture): I announced some time ago that we are continuing the policy of deferring payments under FCC for any individual who can demonstrate that he is unable to meet those commitments. As far as the other part of the question is concerned, I believe the hon. member knows that the government has provided $100 million to relieve the grain industry and that there have been very significant improvements in the dairy industry recently.

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AGRICULTURE

FARM MACHINERY—COMMISSION RECOMMENDATION OF CENTRAL TESTING AND EVALUATION AGENCY

Mr. Rod Thomson (Battleford-Kindersley): My question is also directed to the Minister of Agriculture. Is the government planning to implement the recommendation of the Barber report on farm machinery with regard to establishing an independent agency to develop and test new machinery?

Hon. H. A. Olson (Minister of Agriculture): I cannot say positively today that we shall establish such an institute but we are giving serious consideration to the recommendation.

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EXTERNAL AFFAIRS

RELATIONSHIP OF PROTOCOL WITH RUSSIA TO CANADIAN ROLE IN NATO AND NORAD

Mr. J. M. Forrestall (Dartmouth-Halifax East): I wonder if I might direct my question to the Prime Minister. While it is regrettable that he did not see fit to make a full statement today on his trip to Russia—

Some hon. Members: Oh, oh!

Mr. Forrestall: You cannot call Friday's one. If the people of Canada consider his intrusion on Friday to be a statement on his trip—

Mr. Speaker: Order, please.

Mr. Forrestall: That was a sort of cowardly approach on Friday. I wonder if the Prime Minister can give the House some indication whether or not there will be briefings of our officials within the context both of NATO and NORAD with respect to the conclusions and the purposes of the protocol so as to remove any possible misunderstandings with respect to our attitude here in North America?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. The Secretary of State for External Affairs is leaving tomorrow for the NATO meetings which are being held in Europe and I am sure he will have occasion to inform our colleagues in NATO on any points they may wish to be clear about. He may also refer to the Conservative motion on Friday.

Inquiries of the Ministry

POSITION OF SOVIET UNION RESPECTING BALANCED REDUCTION OF ARMED FORCES

Hon. Robert L. Stanfield (Leader of the Opposition): Last week I was seeking information from the Secretary of State for External Affairs as to the change in the Russian position with regard to a reduction of troops in Europe. In view of the statement by the Prime Minister that the Secretary of State for External Affairs is leaving for an important meeting, can the minister indicate, or create an opportunity—I am sure the House would consent—to describe to the House what was meant by a phrase equivalent to appropriate conditions with relation to the meeting which the Prime Minister of Canada and the government of Russia urged should be held with regard to this whole subject? What are the conditions under which Canada—

Mr. Speaker: Order, please. My understanding is that the Leader of the Opposition has inquired whether a statement will be made on motions. Certainly the type of statement he now suggests would normally be made by the minister on motions.

Mr. Stanfield: With respect, Mr. Speaker, I have been seeking this information for more than a week. On one occasion, the Secretary of State for External Affairs apologized for not having provided it. He is now leaving the country in connection with these matters and I call it to the attention of the Secretary of State for External Affairs again, particularly in view of the joint declaration made by the Prime Minister of Canada and the appropriate representative of Russia with regard to this whole matter.

Hon. Mitchell Sharp (Secretary of State for External Affairs): I think I can answer the question quite briefly, Mr. Speaker. The NATO forces in their communiqué of last December did propose negotiations on mutual arms reductions under certain conditions. The Warsaw Pact, in its reply, used these words:

> It would help to lessen tension and promote security in Europe if a reduction of foreign armed forces on the territories of European states were discussed.

Mr. Brezhnev, on March 30, 1971, amplified this and indicated a change which we considered to be important. He stood for "a reduction of armed forces and armaments in areas where the military confrontation was especially dangerous and above all in central Europe". This is the area which was referred to by the NATO powers.

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[*Translation*]

POWER

PROPOSED JAMES BAY HYDROELECTRIC PROJECT—PARTICIPATION OF FEDERAL GOVERNMENT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Regarding the large James Bay resource development project in which the Quebec government and Hydro-

Quebec are directly involved, is the federal government offering to take part in it and is it attending discussions in that connection?

Hon. Jean Marchand (Minister of Regional Economic Expansion): To my knowledge, Mr. Speaker, no such request has been made to the federal government.

* * *

[*English*]

GRAIN

SUGGESTED INCREASE IN TRANSITIONAL PAYMENT TO PRAIRIE FARMERS

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the Minister of Agriculture, in light of the previous answer he gave today about the amount of assistance and effort the federal government is putting into agriculture, particularly western agriculture, and in view of the drop in net farm income in the three Prairie provinces of $476 million since he joined the cabinet, whether he or his colleague from Saskatoon-Humboldt is recommending to the government a substantial increase in the $100 million transitional payments that are presently proposed?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, the $100 million is an increase in the amount that has been appropriated for that purpose before, and it would be helpful if we could have the legislation passed so that we could pay out the money.

Mr. Benjamin: A supplementary question, Mr. Speaker. In order that all members of the House may be co-operative and assist the Minister of Agriculture and the hon. member for Saskatoon-Humboldt, would the minister now advise whether or not the government would bring in the transitional payments as a separate item so they may be passed by the House within the next 48 hours?

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EXTERNAL AFFAIRS

INQUIRY AS TO AGREEMENT WITH UNITED STATES ON ARCTIC POLLUTION AND SOVEREIGNTY

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the right hon. Prime Minister. Now that the Prime Minister has concluded an agreement with the Soviet Union to solve the problems of Arctic pollution and sovereignty, can he tell the House when he will be concluding a similar agreement with our ally in North American defence, namely, the United States of America?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the premise is not quite correct. There was no agreement reached solving these problems. There was discussion of these problems and, of course, we have discussions of the problems with our friend and ally the United States all the time. There will be a meeting early in June on pollution in some of the Great Lakes between United States representatives and their Canadian counterparts.

[Mr. Caouette.]

TRANSPORT

NOVA SCOTIA-NEWFOUNDLAND FERRY RATE INCREASE—DISCUSSION BETWEEN MINISTERS OF REGIONAL ECONOMIC EXPANSION AND TRANSPORT

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. In view of the fact that the proposed increases in transportation rates between Nova Scotia and Newfoundland will have serious effects on the economy of the province of Newfoundland and therefore jeopardize the objective of overcoming regional disparity, does the minister intend to discuss the problem with the Minister of Transport, or has he discussed it with him, in order to try to overcome this situation?

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I am having continuous discussions with the Minister of Transport.

[*English*]

Mr. Marshall: A supplementary question, Mr. Speaker. Would the minister direct the Atlantic Development Board to look into this action, which will seriously affect the economy of the province, and report back to the House?

NOTIFICATION OF NEWFOUNDLAND AND PRINCE EDWARD ISLAND OF INTENTION TO ALLOW FERRY RATE INCREASES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I have a supplementary question which I should like to address to the Prime Minister. Since communication with and transportation to and from the rest of Canada were factors in the joining of Prince Edward Island and Newfoundland in confederation, did the government inform the governments of these two provinces of its intention to allow a very large increase in transportation costs between those provinces and the mainland?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will have to take the question as notice. I know of no such information having been imparted.

REQUEST THAT NOVA SCOTIA-NEWFOUNDLAND FERRY RATE INCREASE BE SUSPENDED PENDING INVESTIGATION

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I have a supplementary question which I will direct to the Parliamentary Secretary to the Minister of Transport. Would he ask the Minister of Transport to set aside the present rate increases, which are as high as 80 per cent above the present level, until the total effect of this move can be ascertained and the charge that there is a contravention of the terms of union of the province of Newfoundland with the rest of Canada is fully investigated?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will gladly turn this question over to the minister when he returns from Europe.

YOUTH

CAPITAL ASSISTANCE FOR PROVISION OF YOUTH HOSTEL FACILITIES

Mr. John Burton (Regina East): Mr. Speaker, I wish to direct my question to the Minister without Portfolio in charge of citizenship programs. In view of the large numbers of young people now travelling in Canada, is the government considering a program to provide capital assistance for youth hostel facilities? I ask this question in view of the fact that the current program is restricted to operational assistance.

Hon. Robert Stanbury (Minister without Portfolio): No, Mr. Speaker.

Mr. Burton: A supplementary question. Could I also ask the minister whether he is considering alternative means of assistance this year for facilities in communities where difficulties in obtaining approval of municipal authorities have been encountered?

Mr. Stanbury: Mr. Speaker, there is a very flexible provision for assistance. The Canadian Assistance Plan offers a great deal of assistance to such projects, and the citizenship branch will assist further with operational costs where there is clear evidence available of community support and responsible management.

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NATIONAL DEFENCE

POSSIBILITY OF INSTALLATION OF ANTI-BALLISTIC MISSILES IN ARCTIC

Mr. William Skoreyko (Edmonton East): Mr. Speaker, I should like to direct my question to the right hon. Prime Minister. In view of the statement made some time ago by the Minister of National Defence that the installation of ABMs in Canada's Arctic was possible, can the Prime Minister now say as a result of his trip to Russia whether this project can be considered possible in the near future?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the project to which the hon. member is referring. I will consult with the Minister of National Defence.

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INQUIRY OF THE MINISTRY

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a question for the Prime Minister. In view of the Prime Minister's previous experience and the fact that the Russians seem to be calling the tune, was there any suggestion on their part that he would be better advised to return to his ballet dancing?

Mr. Speaker: Order, please. We are running short of time. Perhaps we might try to limit ourselves to matters which ought to be considered during the question period.

Inquiries of the Ministry

THE CENSUS

EXAMINATION OF COMPLETED FORMS BY PRIVATE CITIZENS—ACTION TO PROTECT SECRECY AND PRIVACY

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to ask a question about the census. As the minister responsible and his parliamentary secretary are absent, I will direct my question to the Prime Minister. In view of the fact that the census forms, whether the long or the short, are not being mailed directly to Ottawa for scrutiny and tabulation, as was the case in 1961, but are being directed to local organizations for scrutiny and checking before being sent to Ottawa, would the Prime Minister ask the minister in charge to delay the deadline for sending these forms and suspend the provision for the imposition of fines until such time as secrecy and privacy are protected?

Right Hon. P. E. Trudeau (Prime Minister): I do not sense the nature of the question, Mr. Speaker. I will, of course, transmit it to the Minister of Industry, Trade and Commerce, but I am not sure in what way the hon. member is alleging that secrecy is not being protected.

Mr. Hales: A supplementary question, Mr. Speaker. May I ask the Prime Minister whether he thinks that the privacy of individuals is being protected when local committees scrutinize the census forms rather than have the scrutiny made in Ottawa?

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, a supplementary question on the same subject. May I ask the Prime Minister or the Minister of Finance whether the government is not aware that these forms are in violation of the Income Tax Act?

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GRAIN

INQUIRY AS TO FINAL PAYMENT ON WHEAT FOR 1969-70 CROP YEAR—BARLEY PAYMENT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I should like to direct my question to the minister responsible for the Wheat Board. What is causing the undue delay in making the final payment for wheat, and when can we expect the payment on barley?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, when a pool is closed there is always a significant period of time before accounts are finalized, and there is nothing undue about the period of time that is being taken in this case. The barley pool for 1969-70 closed, of course, some time ago and payment was made.

Mr. Korchinski: May we expect the payment within three weeks?

Inquiries of the Ministry

YOUTH

PROVISION OF BEDS AND MATTRESSES FOR HOSTELS

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, I have a question for the Parliamentary Secretary to the Secretary of State. In view of the fact that many hostels are not able to open until beds and mattresses are made available, would the Parliamentary Secretary to the Secretary of State indicate whether arrangements have been made to make available beds and mattresses for these hostels across Canada?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Mr. Speaker, this is the first I have heard about any problem involving beds and mattresses. I will consult my colleague who seems to be more familiar with the situation.

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POLLUTION

DEADLINE FOR CLOSING OF E. B. EDDY PLANT

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion. Is the E. B. Eddy plant to be entirely closed down by the 1975 deadlines or is it merely a question of cleaning up?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I do not know of any deadline, and I am not the appropriate minister to whom to put the question.

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INQUIRY OF THE MINISTRY

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct my question to the Prime Minister. Would the Prime Minister please advise the House of his itinerary in Red China, particularly Peking, and say whether he plans to take his wife with him.

Mr. Speaker: Order, please.

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GRAIN

TRANSITIONAL PAYMENT—FINAL PAYMENT ON WHEAT FOR 1969-70 CROP YEAR PRIOR TO JUNE 23

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I should like to direct a question to the minister in charge of the Wheat Board. In light of his hopes in respect of transitional payments, does he intend to announce a final payment on the wheat pool prior to June 23?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, as soon as the Wheat Board has finalized the accounts I am sure it will issue cheques in the usual fashion.

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HOUSE OF COMMONS

ROSTER SYSTEM—ATTENDANCE OF MINISTERS NOT SCHEDULED TO BE PRESENT

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I am not sure whether I should direct my question to the right hon. Prime Minister or the Acting House Leader as it has to do with the roster system. Will whoever is responsible on the government side for the imposition of the roster system consider tossing it out the window in view of the fact that a number of ministers—

An hon. Member: What about your own ranks?

Mr. Lundrigan: Never mind the ranks on this side of the House.

Mr. Crouse: Start taking responsibility.

Mr. Speaker: Order, please.

Mr. Lundrigan: Mr. Speaker, my question is a serious representation. Will the government consider—

An hon. Member: Just a bunch of phonies.

Mr. Speaker: Order, please. Perhaps the hon. member might be allowed to ask his question and the minister might be allowed to answer as quickly as possible because we have reached the end of the question period.

Mr. Lundrigan: Mr. Speaker, I am wondering whether, in view of the fact that a number of ministers are not here today but are present on Parliament Hill, and a number of ministers who are supposed to be here today are not here, it is possible to permit ministers who are here tomorrow but who are not scheduled to be in the House to be in attendance in the chamber to answer questions?

Mr. Danson: On a point of order, Mr. Speaker, I believe there is something wrong with the translation system because the hon. member for Gander-Twillingate is not coming through very sensibly in English.

Mr. Lundrigan: The parliamentary secretary is being his usual witty self. Perhaps he is going to be retired. I should like to have my question answered. Is the Acting House Leader—

Mr. Speaker: Order, please. It seems to me that the hon. member's question is, by his own admission, a suggestion. He indicated that he wanted to make a serious suggestion to the government. At this time we must assume that this is what he is doing and that his suggestion will be taken into account. Orders of the day.

GOVERNMENT ORDERS

CANADIAN WHEAT BOARD ACT

AMENDMENTS RESPECTING DETERMINATION OF PAYMENT FOR WHEAT—EXTENSION OF APPLICATION TO FLAXSEED, RYE AND RAPESEED

The House resumed, from Wednesday, May 26, consideration of the motion of Mr. Lang that Bill C-238, to amend the Canadian Wheat Board Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to make two points this afternoon with reference to the amendments to the Wheat Board Act proposed in Bill C-238. The first point relates to the inclusion of rye, rapeseed and flax, as well as oats under certain circumstances, under the Canadian Wheat Board. I appreciate the fact that this is merely enabling legislation permitting the executive to pass orders in council, if and when it sees fit.

I am sure the minister in charge of the Wheat Board, as well as the Minister of Agriculture (Mr. Olson), have received representations to the effect that the only cash crops the farmers have had for a number of years have been cereal crops, other than wheat or coarse grains, including oats and barley. The only cash crops they have had have been rye, rapeseed and flax. Let us deal first with rapeseed.

The introduction of this crop into western Canada took place at Tisdale, Saskatchewan, during the war. This crop was used successfully in the production of edible oils. It was introduced in that area by a man by the name of Kermit Purdy who became very successful. Rapeseed at that time ran at approximately 2,000 pounds to the acre and was worth about six cents per bushel on the farm. It was first introduced in the Carrot River Valley, and has since been introduced to other areas in western Canada. It was introduced then because of the same problem now facing producers. They were having difficulty making deliveries of grain in time to pay their expenses and to keep their families and their enterprises.

The same situation existed when wheat became surplus. Rapeseed was then used, along with rye and flax as a cash crop. If these grains are put under the Canadian Wheat Board, we may find western farmers in the same situation, without any cash crop to meet current expenditures. Hon. members with some knowledge of western Canada, and the production of crops there, will appreciate there are certain areas in which stock growing is not a profitable enterprise. In these same areas, the farmers can attain a high production of wheat and coarse grains including rye, rapeseed and flax. This is because of a shortage of water in many places. I could name a number and I will do so this afternoon. The minister knows one of these areas very well, namely Kindersley which is adjacent to Saskatoon. Other areas include Rosetown, and Vulcan, Alberta. These are basically cereal producing areas rather than stock producing.

One of the greatest dangers inherent in the Canadian Wheat Board taking over these crops is the suggestion that they will be put on a quota system similar to wheat. As a result, the small scale farmer will have no cash crop to use for paying current expenses. I oppose that part of this bill. I had hoped the minister might have said this is a method by which farmers can obtain cash. The farmers in western Canada do not need handouts and they are not asking for them. What they need is a market for their produce. Before this bill is given second reading, I hope the minister will say the government does not intend to create a situation under which there will be no cash crops available to the operators of these small farms. If that is not so, then members of all parties on this side who have some knowledge of the situation can only come to the conclusion there will be no possibility of cash crop production on farms in order that farmers can pay immediate expenses and make a living. If the government takes any other attitude, then we must assume this is umbrella legislation which will deny farmers the opportunity of making enough money to support their families and pay immediate expenses, with the result they will be driven from the land. That is the first point I wanted to make.

My second point is related to the first. For a long time we have opposed the idea that you can control the sales of grain from one province to another. There have been literally thousands of bootleg sales between Saskatchewan and Alberta because of the quota system implemented by this government. This quota is entirely different from the old. I hope under this legislation that the minister and this government will end once and for all this control over the export of cereal grains from one province to another, particularly in western Canada where the grains involved are barley, rapeseed, rye and flax.

At the present time a great deal of grain, particularly wheat, is being produced along the western border of Saskatchewan and all across the border through Alberta to be used as feed. Very often this grain finds its way into elevators there under the quota system. The farmers in Saskatchewan do not want to bootleg their grain in contravention of the law. Many of them are not able to pay their expenses, their taxes or their liabilities without doing so. Being placed in these desperate straits, they are obliged to take the only measure at hand. As was said in "Oliver Twist", the law is an ass so far as this situation is concerned.

Today a case is being argued in Ottawa in respect of another commodity. I will not say any more than that. I would hope the result of that decision, and the result of the government's decision in the future, will be such as to carry out the objective of the constitution that we have free trade between the provinces. Many places in western Canada can produce—there is no doubt about it—grain of all types and much cheaper than it can be produced in the other provinces of Canada. This not only works a hardship on western Canada but also on eastern Canada which needs some of the cereals to feed livestock. There has been such a demand for livestock feed in Ontario and in Quebec—and I have heard all about this

from my friends from those provinces—that corn and other commodities are being imported from the United States.

There is a third point concerning the matter of quotas. We now hear the minister boast that there is now a five-bushel and six-bushel quota in existence. He has not explained to the farmers, to the House or to the media, that the new quota is based on a much smaller acreage. The farmers would like to hear something about this. I would like to take the Minister of Agriculture to my farm in Saskatchewan. I would ask him why grain is not moving off the farms at Rosetown and Kindersley and why the farmers do not have cash.

Mr. Olson: Mr. Speaker, on a point of order, if the House would give unanimous consent I would be very happy to answer this question.

Mr. Woolliams: Mr. Speaker, I do not know whether the minister has spoken but when I am finished I shall be quite prepared to give consent, as I am sure the House will, because we want a solution to the problem.

I am sure the hon. member for Hamilton-Wentworth (Mr. Gibson) was not sent here by his constituents to holler and shout, as he did today during the question period, just so the Prime Minister could make a quick answer. I would hope that he would listen to those who want to make a contribution, if he does not wish to make a contribution himself, and start acting like a gentleman.

Mr. Olson: Mr. Speaker, could I ask the hon. member a question?

Mr. Woolliams: Certainly.

Mr. Olson: Mr. Speaker, has the hon. member taken into account the fact that there is not only a five-bushel and six-bushel quota on wheat but also a 20-bushel quota on flax and a 30-bushel on barley, all of which used to be counted within the six-bushel per specified acres.

Mr. Woolliams: Mr. Speaker, my answer to that is that I would have hoped the Minister of Agriculture would have told the truth. The quotas he is talking about are not based on the previous acreage. Under the old quota system, the quota in respect of wheat was based on the total acreage; not only that planted in wheat, flax, barley or rye, but the total acreage of the farm. If you had 640 acres under cultivation and planted only 200 acres of wheat your quota was based on 640 acres. Today it is based on production under the new Lift program. There is no use giving answers of this kind because they are far from honest or factual. The Minister of Agriculture will not tell the facts in the House or out on the farms. I am sorry he takes the attitude he does.

My point is that these quotas are based on the Lift program rather than on the old system of total acreage. The tenant who operates my farm tells me that what he really has in wheat, compared to what he used to have, is about a two-bushel quota. That is not enough to pay either his expenses or the taxes on the land which my father pioneered and homesteaded in Saskatchewan. If all farmers are in the same economic plight as that farmer is, then they are in dire straits. I will be surprised if the Minister of Agriculture makes any contribution to the election in Saskatchewan because I think the most dangerous thing Thatcher has to face today is the Liberal government's policies in respect of agriculture and other things that affect the Prairies. I do not think the minister can deny this. I am sure he cannot say he has not had complaints, not only in respect of this legislation but also in respect of the whole agricultural program. He tries to pass the buck over here. I am sure he has had protests from the farmers who are in dire straits.

Questions have been asked today, for instance. The government was asked whether it is bringing in legislation which would protect against the vigorous efforts of government agencies to collect the money lent to farmers. I have received dozens of letters from farmers in the province of Alberta who indicate that they cannot meet the interest on the money. The government is pressing as hard as it did in the 1930's, in the days of Aberhart and Manning. The policies of this government are bringing the farmers to the point of bankruptcy.

Mr. Olson: The louder the better!

Mr. Woolliams: Sometimes it is necessary to get certain points across to you.

Mr. Paproski: It has to come out loud and clear for you.

Mr. Olson: It must be logical, too.

Mr. Woolliams: My first point had to do with the cash flow to the farmer. My second point was in respect of free trade between provinces and my third point concerns quotas. I wish to return to the question of free trade between provinces. My recommendation is that the minister, under this legislation or by regulation, permit free trade of farm goods between all provinces. The former Chief Justice of Canada, who is now retired, said in this regard:

> It seems clear that the enactment—

Dealing with the Canadian Wheat Board:

> —of such a prohibition would be beyond the powers of any provincial legislature and so would appear prima facie to fall within the powers of Parliament under the opening words of s. 91 of the British North America Act and to be valid, unless it contravenes s. 121 of that Act.

Section 121 of that Act deals with free trade between the provinces in plain ordinary English.

> It may be that if, on its true construction, s. 32 would have the effect of prohibiting the supposed transportation it would be in conflict with s. 121 as being a prohibition which, to borrow the words of my brother Rand, "in its essence and purpose is related to a provincial boundary" and not being a regulation of trade or commerce (since there are difficulties in regarding a person as engaged in trade or commerce with himself) or a necessary incident of such regulation. If this be so it would furnish a strong reason for construing s. 32 as excluding from its operation the transportation in the case supposed, but I do not find it necessary to reach a final conclusion on the point—

In other words, in CPR versus Murphy, 1958 Supreme Court Reports at page 644 the Chief Justice said in effect that the prohibition of free trade between provinces

might well be ultra vires in respect of the Canadian Wheat Board Act which is of course federal and not provincial legislation. A worsening situation has been brought about today by the fact that today the cash crops being produced on the farms are confined to the jurisdiction of the provinces in which they are produced.

• (3:30 p.m.)

The minister was asking questions and I have just been handed figures regarding cash income from grain in Saskatchewan. These figures are from the Dominion Bureau of Statistics. In Saskatchewan, grain income in 1967 was $737 million; in 1968, it was $655 million; in 1969, it was $495 million; and in 1970, it was $449 million. I say to the minister that from the figures that are now being given out, it is obvious that the exports of wheat overseas have declined. He will find those figures to be correct. If I am wrong, I will sit down and he can correct me. He should compare those figures with figures in other years. Those are figures for both export and domestic sales. If they are higher, then why are we not moving the grain off the farms?

The Acting Speaker (Mr. Laniel): Order, please. Is the minister rising for the purpose of asking a question?

Mr. Lang: Yes, Mr. Speaker. I wonder whether the hon. member is aware of the fact that wheat exports are running very heavily ahead of last year, and is he aware of the fact that the total grain exports are now somewhere over the 500 million bushel mark, which means that with two months to run we are ahead of any but the four best years, all of which we almost certainly will pass? Also, I wonder whether the hon. member is aware of the fact that while such quotas as the rapeseed quota are at the 30 bushel level, barley is also at the 30 bushel level and wheat is at the five or six bushel level. This means that a straight wheat farmer who has a quota on all his acres has a much higher total delivery quota than he has had for several years.

Mr. Woolliams: I must quote the figures to the minister—

Mr. Osler: You do not understand them.

Mr. Woolliams: I think I understand them. I thought the hon. member was more patient than that, even if he is sucking his thumb.

Mr. Osler: No, I was scratching my chin.

Mr. Woolliams: If what the minister said is true, may I bring something to his attention. Hon members have noticed how carfully he uses the word "grain" instead of wheat in order, as the right hon. member for Prince Albert (Mr. Diefenbaker) pointed out, to hide facts. If he is correct in his assertions, I challenge him to explain why gross income from grain in Saskatchewan alone dropped from $737 million in 1967 down to $449 million in 1970, a loss of almost $300 million. Either he is selling grain at fire sale prices or else the exports have declined. He cannot have it both ways. The figures I quote are from the DBS.

I do not blame the hon. member for Winnipeg South Centre (Mr. Osler) for having two fingers in his mouth now. I would feel the same way if my minister were throwing figures around. I can imagine how badly members from eastern provinces feel when they know what is happening in Saskatchewan. I say through you, Mr. Speaker, that this government is in such disrepute today that the minister does not dare cross provincial borders, let alone allow grain to cross them.

Mr. Osler: Coming as I do from western Canada, I am scratching my chin in wonderment.

Mr. Woolliams: I know. The hon. member for Winnipeg South Centre wonders at the minister being so ill-informed about grain, particularly since his constituency was the home of the grain exchange. He will have to do a little visiting. I should like to ask the minister, before I sit down, whether, when he used the word "grain" he meant wheat, or did he mean grain. Let him look at his notes.

The Acting Speaker (Mr. Laniel): Order, please. The Chair is wondering whether this procedure can be followed. I do not see how the hon. member speaking can ask a question of the minister. If the minister wants to ask a question of the member who has the floor, the hon. member would have to decide whether to allow the question. I do not think the Chair can allow this kind of exchange from one side of the House to the other because, according to the rules of the House, a member is entitled to speak only once at this stage of the debate. I do not see how the minister, who is not permitted to seek the floor to take part in the debate, may be allowed to reply to a question put by the hon. member.

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

The Acting Speaker (Mr. Laniel): The minister is rising on a point of order.

Mr. Woolliams: That is different; I do not mind hearing the point of order.

Mr. Lang: I am sorry, Mr. Speaker; I was rising on the assumption that after 18 members had spoken I would in fact, take the opportunity to reply, which I know would close the debate, and I was waiting for you to say no.

Mr. Woolliams: I will conclude with the following remarks. This just shows how factual the minister was. He deliberately used the word "grain" knowing that most people think of grain as being wheat. The two words are synonomous in people's minds. The minister hoped he could cover up the facts when I pointed out that exports had decreased. I say to him again that I challenge him to say that the figures for the export and domestic consumption of wheat equal those in 1966, 1967, 1968 or 1969, on the average. That is what we are interested in.

I want to drive home one more point. The minister has been talking about the great exports of grain. I have not received an answer to my question. If the minister is interested, I will go to Saskatoon with him and I will drive 200 or 300 miles through the grain belts with him.

We will walk together and bring the press with us. He will find grain piled up on the farms everywhere.

Mr. Lang: Oh, oh.

Mr. Woolliams: The minister laughs.

Mr. Lang: Because you were not saying so a year ago.

Mr. Woolliams: If the minister thinks we were not saying so, he must have had ear plugs or else it was beyond his comprehension. Do you know, Mr. Speaker, what they are really frightened of? They told me this in Saskatchewan the other day. They said that things are so bad for the minister, they are frightened he will be defeated and will return to being dean of the university. This would be one of the worst things that could happen.

I want to finish what I was saying. The supply of wheat is building up on the farms, as well as other crops, but there is no cash on the farms. Farmers cannot meet their expenses and liabilities. That is the true story, and that is the story that Saskatchewan knows. If Mr. Thatcher were to sneak through in this election, the only way in which he would do it would be on the strength of his performance. But he and his advisers know that what he has to fight today is not the NDP but the performance of this government.

Mr. Rod Thompson (Battleford-Kindersley): I am not sure that I can show the same enthusiasm as has my hon. friend, the hon. member for Calgary North (Mr. Woolliams) when he talked about walking or travelling through the grain belt arm in arm with the minister. I suggest to him that if he were to do so, it would not do him any good politically out there.

The minister obviously wants to put the best face on his performance. In looking at the federal government statistics on farm income in Saskatchewan—and we are talking about net income, not gross income—I see a drop from $354 million in 1967 to $202 million. That is quite a drop when you speak in terms of net income. I do not know whether the minister has had enough farming experience to know what this really means, but surely his intellectual understanding of the problem should be adequate, even if his personal experience is not.

No act is any better than the government that administers it. I suggest that generally speaking the Wheat Board has not done too bad a job, in spite of the government as has been suggested, but frequently when they did not do a good job the reason was that they did not have the tools needed at the time. I should like to suggest some of the things that should have been done sooner in relation to the proposals now put forward by the minister.

• (3:40 p.m.)

One of the first things I would like to talk about is credit sales. We saw what happened when the government began to guarantee wheat sales to countries which had dollar problems. Mr. Speaker, if I were a country purchasing wheat and had to buy it with American dollars or gold, in all probability I would buy American wheat rather than Canadian wheat. It seems to me that our government has insisted on a method of pricing that operates only in Canada's favour. We want the best of both worlds, but this is not the way things work. When the Wheat Board began to use the mechanism of credit sales it immediately increased its sales. I have heard the minister talk about this. Mr. Speaker, I was a Wheat Board delegate in the years 1954 to 1959, and we were talking about credit sales then, not to mention other things. It seems that before the federal government wakes up to a situation and takes action, someone has to go broke or reach the verge of bankruptcy.

The subject of pricing should have been examined by the Wheat Board a little sooner. I am not speaking as a producer of grain, but I think there have been times, if we had been on the ball, when we could have sold more grain at a better price, both in Canada and abroad. We should have been awake to what was happening to world prices. I believe that producers should be paid, through the Wheat Board, an adequate price for wheat consumed in Canada. I suggest that that price should be at least $1 more per bushel than the selling price abroad. At least that price would be comparable with the prices farmers have to pay for goods and services. If the minister does not want to accept my advice, or the advice of others like me, I would invite him to try a little farming on his own. These are the kinds of tools that the Wheat Board must use if it is to do a good job on behalf of the grain producers.

I have checked on some of the countries that purchased wheat from Canada through credit arrangements, and I have discovered that we have not sold significant quantities to some of them since 1952, while to others we have sold none at all since 1952. If grain had been sold to those countries during the intervening years, we would not have the surplus in Canada that we have now. When we first heard about the awkward problem facing the grain producers of western Canada we pointed out that the growing surplus of grain would be reflected in the future of the livestock industry. Just a few days ago I heard some Quebec members complain about the low price of pork in that province. One thing leads to another. The government did not act soon enough in one area, and the problem moved into another area. Surplus grain was converted into surplus pork, and now Ontario and Quebec farmers are facing the result.

Some of the changes brought about by the Canada Grains Act should have been enacted much sooner, and here I refer to protein grading, mixing at the terminals, and credit sales. The other change envisaged by the minister is the bringing of flax, rye and rapeseed under the authority of the Wheat Board. I think it is high time that this was done, but I cannot help but wonder why the minister is doing it now. I read his speech the other day in preparation for this debate. He said that, although he proposes to bring rapeseed, rye and flax seed under the Wheat Board, he does not intend to use those provisions of the bill now. Why bring those grains under the Wheat Board if this is the case? Must we read between the lines of his speech? I hope that when he replies he will tell us why he is including these grains. What is the purpose?

Hopefully, it is the prospect of selling more of them at a better price, and thus look after the farmer's interests in a better fashion. I have been trying to make an honest assessment of the matter, and am still wondering at the minister's reasoning.

I suggest to the minister that there has been some hanky-panky in connection with the prices that producers have been receiving for rapeseed. I can give one instance of a difference of 15 cents a bushel for rapeseed between Lloydminster and Maidstone. Sometimes the difference is only 10 cents per bushel, but that means a lot of money to an individual who has grown several thousand bushels. Producers wonder why there cannot be some other method of handling these grains. Occasionally a farmer gets burned if he sells his rye or flax at a low price on the open market. As a result, he thinks the Wheat Board type of selling is not a bad thing. I can recall when we had the option of selling on the open market or selling to the Wheat Board. When prices were good people sold on the open market, but when there was a surplus of grain and prices were down, people sold to the Wheat Board. The only time they used the Wheat Board was when there was trouble. I hope the minister replies to this point. I think it is a good move, assuming the Wheat Board uses the power given it wisely and well.

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I wish to say just a few words. I believe the bill will get second reading and go to committee later this afternoon. I just want to say that, in my humble opinion, the over-all package of federal government agricultural legislation, of which this bill is part, contains a collusive conspiracy between the government and government officials to denude the rural areas of western Canada of farmers, particularly those on small, family farms. I do not think there is any question about that. I asked the Minister of Agriculture (Mr. Olson) a question during the question period today. He really did not answer me factually, and the very indignant nature of his response indicated that there was no question about the purpose of the government's agricultural legislation.

Some figures will indicate the truth of this assertion. According to the DBS, total grain cash receipts in 1967 in Saskatchewan were $737 million; in 1968, they were down to $665 million; in 1969, down to $495 million, and in 1970 down to $449 million. There are similar figures showing over-all cash receipts received by the agricultural industry throughout the three Prairie provinces. In Alberta, these receipts fell from $794 million to $729 million. In Manitoba, the figure also is down.

The bill which we are discussing contains two elements which have been debated by my colleagues and other members of the opposition parties. But surprisingly enough very few, if any, government supporters took part in the debate to support the bill. That part of the bill dealing with the $100 million might well have been the subject of a very simple arrangement. Nobody in this House has indicated any objection to these subsidies being given to the farmers who desperately need the money. This payment could have been made in the way it was during the administration of the right hon. member for Prince Albert (Mr. Diefenbaker) when a simple item in the estimates was brought forward, debated and passed. This could have been done some considerable time ago.

• (3:50 p.m.)

The minister has indicated that, in his view, there is no intention to utilize the other part of the legislative program which permits the government to put into effect provisions which would bring rapeseed and the other grains mentioned under the control of the Canadian Wheat Board. He simply wants to have that power in case it may be needed. I disagree with that form of legislation. When the government needs power it should come forward and ask for it. There is no doubt, Mr. Speaker, that this bill is related to the provincial election in Saskatchewan. I do not want to get involved in discussing that as we have other problems, but I think it is disgraceful when a legislative program is related to a provincial election.

I should like to reinforce the point I made regarding the serious and deteriorating situation of agriculture in western Canada. I farmed there myself for a number of years and when I first went out to practise my profession I had the opportunity to meet and become associated with thousands of people in Alberta. I know that they are being driven constantly and continuously from the land into urban centres thereby causing problems for the areas they leave as well as those areas into which they are forced.

As the sprawling metropolitan areas of the east and west struggle with the miseries of overcrowding, weary farmers, ranchers, village dwellers and their educated young flee the Prairies by the thousands. Figures published by the Dominion Bureau of Statistics indicate this. The drain on the countryside has caused an almost desperate situation in many rural areas, and especially on the plains of the heartland, as people leave. Economic survival becomes more difficult and dozens of towns are dying, some are already dead. The Prairies are part of this problem and so are the urban areas. As a result of this exodus, fairly well educated and motivated people settle in urban areas and there is no question that they tend to displace people already there who need jobs.

The problems of pollution, overcrowding and the concomitant difficulties which are being posed are part of the total economic picture. In spite of the answer of the Minister of Agriculture (Mr. Olson) to my question this afternoon, there is no doubt that the actions of the government and their advisers are such that we can only assume they are gripped by this stupid, wrong and false determination to strip the rural areas of all population except those people who, in the view of the economic advisers of the government, are competent to handle the problems of the agricultural industry. The rules and conditions which are being laid down contain all the economic factors which usually prevail under a government bureaucracy. I resent that and I think most people in western Canada resent it.

I am not competent to speak on the problem as it exists in eastern Canada, but I have heard reports that it does exist there as well. I suggest to my hon. friends opposite, to the Minister of Agriculture and the minister piloting this bill through, that the day will come when they will regret having been part of this conspiracy. There is no doubt that it will be necessary to retrace their steps and settle people back in the desolate areas from which they have come as a result of the policy of this government.

Not too long ago the Prime Minister (Mr. Trudeau) spoke about net social benefit, but I think he had his tongue in his cheek. He spoke of it being a result of the gross national product of the country, which is one of the present indicators of our economic progress. In their deliberate scheme to strip the rural areas of family farms and send the people to the cities, I suggest that the government will have to retrace their steps and make it possible for these people to stay on the land. I could put on record hundreds of letters from people in my district who have been compelled to leave and who are anxious about the new life they face. They are concerned about leaving areas where the local municipalities have been involved in the school structure, in the system of utilities, in building up a society equipped to deal with a given number of people. When a half or a third or two-thirds of the people leave, those remaining face staggering problems. In all seriousness, I suggest to the government that they should review their policies and programs and not compel people to leave the land just because the government thinks that step must be taken.

The Acting Speaker (Mr. Laniel): Order, please. Before allowing the hon. Minister without Portfolio in charge of the wheat board to speak in the debate at this time, I must warn hon. members that if the minister speaks now he will close the debate.

Some hon. Members: Agreed.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, this debate on the amendments to the Wheat Board Act has ranged over a period of approximately two weeks, and during that time we have heard from 20 members of the opposition.

An hon. Member: How many sitting days?

Mr. Lang: They have dealt almost totally either with one section of the bill or with matters not related to it at all. As I assess their general remarks, they support most of the amendments in the bill. With the exception of that one section they have either supported or not commented on the other amending sections so I take it that they are in agreement with those parts they have not commented on as well as those to which they have made reference. Their remarks related to agricultural matters generally, and there were several speeches on another bill before this House which is not part of this one. On occasion they linked the three pieces of legislation as though they were one. I refer to the three bills relating to grain which are before the House or on their way through committee. Certainly, the three bills are related in an effort to improve the economic position of the grain farmer in western Canada.

• (4:00 p.m.)

In my opening remarks on one of these bills, I indicated formally my view and that of the government that those farmers who want to continue farming should be helped in every way we know in order to do so. That would be done by having that part of the system over which they have no control put in the best possible shape for them. I urged hon. members at that time to refrain from the mischievous and, indeed, malicious suggestion that in some way someone is out to get farmers off the farm against their will. I should really use the words used by the hon. member for Peace River (Mr. Baldwin) to describe this suggestion. The words he used in describing it are, "stupid, false and wrong." Really, that is the best characterization of this continuing attempt to put fear into the hearts of people whose economic and social difficulties are already great enough. There is no need to stir up this idea of some great conspiracy lurking in the wings.

The main issue in the debate before the House, to the extent that it was relevant at all, touched on that section of the legislation which proposes to allow the addition, by order in council, of rapeseed, flax and rye under the jurisdiction of the Wheat Board. This will be done by extending parts III and IV to cover those grains, should it seem appropriate at some point to do so. Hon. members opposite have been divided in their views on that section. On the one hand, on the left, there is the view that this should be done immediately, without enabling legislation. These views were accompanied by strong statements that this ought to be done since everyone knows that producers are in favour of doing this now. From the right came sounds of indignation that anyone should even think about consulting producers. There were statements that the producers seemed to be lined up against that view—

Mr. Korchinski: On a point of order, Mr. Speaker, I think it was amply illustrated in the House by various speakers, myself included—and a motion was moved to this effect—that our party had taken the position that we welcomed and wanted a plebiscite on this question.

Mr. Lang: Mr. Speaker, I am delighted to hear the hon. member for Mackenzie (Mr. Korchinski) clarify his position on this point. As I listened to the speeches from the opposite side I had detected that those hon. members of the Conservative party who either had rapeseed growers in their constituency or knew something about rapeseed tended to be rather more broadminded about consulting the producers on the issue. I thought that the hon. member for Mackenzie had clearly expanded the view that the producers were totally against any change in the marketing system. I was glad to hear him in his point of order join me in the suggestion that the producers deserve to be consulted fully on this issue and adopt my view that, in this area, we should put ourselves into the position of serving the producers in the way they want to

be served. I have made it completely clear that the procedure which is being followed—

Mr. Southam: On a point of order, Mr. Speaker, in order to clarify the record and support the contentions raised in the point of order of my colleague, the hon. member for Mackenzie (Mr. Korchinski), may I say that I had the honour and privilege, when leading off the debate one week ago last Monday on the bill with respect to the amendments to the Wheat Board Act, to support the principle that there should be a plebiscite to settle this issue.

The Acting Speaker (Mr. Laniel): Order, please. Perhaps at this time the Chair should take the opportunity of reminding hon. members that it is not the practice of this House to allow hon. members to intervene in the debate on points of order for the purpose of making explanations or corrections. The Chair is ready to allow hon. members to make clarifications. None the less, opportunities for clarification were given to all who participated in the debate. The minister now has the floor. I do not think hon. members should interrupt him regularly for the purpose of correcting statements or interpretations of statements.

Mr. Lang: Mr. Speaker, it is true, of course, that we should get nowhere if every hon. member rose to redeclare his position. It is useful to hear the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) repeat the position he adopted in leading off the debate. I thought he took an eminently sensible position. I was surprised at the extent to which colleagues of his representing other ridings, and perhaps not as much associated with the agricultural community as he is, departed from that position in suggesting that the view of producers was well known and that they were so clearly against this measure that there was no point at all in consulting them. I invite him to check the record and confirm that many of his Conservative colleagues adopted that position.

Of course, I was saying that it had been my view that this is an area in which it is particularly up to the producers to decide. In order to examine this question fully I set up, over one year ago, a committee composed of two producers and a distinguished member of the Rapeseed Association. It was to examine the question of the marketing systems available for the oil seeds in particular, although rye is now included in the amendment to the bill. This committee, in analyzing the problem, reached the conclusion that the producers did not have at the present time sufficient information in their hands about the way the marketing systems operate to make a clear and responsible decision about this question. They suggested in their report that after more information was obtained and put in their hands, a plebiscite should be held. I indicated immediately that I agreed with their view that the producers deserve additional information to understand the system. Indeed, it was my view that the atmosphere has changed to some extent with regard to the marketing of these grains and that the producer organizations deserved a further opportunity to examine the marketing system.

I asked the committee to continue its work on developing the necessary information and I hope that, before very long, the results of their labours will be available to the producers of this country. They will have in their hands a fully documented analysis of the present marketing system, problems relating to it and possible improvements to it, as well as a documentation of some of the alternatives which may be available if producers choose them. It was my view that, at that point, the views of the producers should be obtained. My only hesitation, as I pointed out at page 6021 of *Hansard* with regard to spelling out a plebiscite in the bill, was in relation to the question of voting rights in regard to such a plebiscite. I have a formula for the plebiscite which I suggested to the committee and which I should like to put before the House. In my view, no change should be made unless there is clear support on the part of producers for such a change. I said that particularly because these things, once done, cannot be easily undone. In that case a mere shadow of a feeling in favour of change may not be enough. The clear and substantial support of the producers is required.

In this area the question is complicated by such questions as, who is a producer? This must be asked in order to determine what form of plebiscite should take place. Is a producer one who produces for one year, or for two years or three years? Is some weight to be attached to the size of acreage in production of the respective producers? Again on this point, Mr. Speaker, I have a formula which gives some weight to the size of production and which gives some weight to the persistance of participation in the growing of rapeseed. This may be developed and then incorporated into the legislation itself. Certainly, it is some such form of consultation that I had in mind right along. I want necessary information to be available to producers which will allow them to understand.

I have been surprised by the heat of the debate regarding the pros and cons of the situation, since no information that is appropriate has really been set out. The arguments of hon. members tended to be, "Let's do it because the producers want it," or, "Let's not do it because producers do not want it." I suggest that that was not very helpful. The best decision, of course, would be one recognizing that some further discussion through farm organizations and across the prairie region is needed in the next number of months. Then, some further, final consultation with producers will need to be held to determine how many wish to continue the existing system and how many are against it. If their clearcut choice, made evident at that point, is for adopting a different system, we would do so. We would then be in a position to do so with the proper machinery required to protect their rights as producers and marketers of this grain. Since hon. members have supported the generality of the amendments in this bill, and since two prominent spokesmen for the Conservatives now repeat their view that such a plebiscite should be held, I welcome the support of all hon. members for these amendments to the Wheat Board Act and am pleased to move the second

reading of this bill and its reference to the Standing Committee on Agriculture.

• (4:10 p.m.)

Mr. Benjamin: I should like to ask the minister a question. In considering the pros and cons of bringing rye, flax and rapeseed, all three or any one of them, under the jurisdiction of the Wheat Board, has the minister taken into account as an important factor the support forthcoming over a number of years by way of resolutions from the membership conventions of the wheat pools, the Federation of Agriculture and the National Farmers Union, support which has been forthcoming for as long as 20 years?

Mr. Lang: Yes, it has certainly been considered by me. It was one of the factors which led me to undertake an inquiry into the marketing system. I notice that in recent years some of these organizations have delicately shifted the tone of their recommendations toward favouring consultation with producers; their position is less rigid than the one they took earlier. However, I do not wish to get into an argument about that, since the difference appears to be really one of tone. I have also been inpressed by the fact that the rapeseed associations, that is to say, the associations composed of the rapeseed producers themselves, were obviously far less sure than were those other organizations about the issue. I hesitate to say they were against the proposal but the tone of the communications I have received from these associations suggest they welcome the notion of a plebiscite—that they have no real objection to the amendments if a plebiscite among rapeseed producers is clearly part of the legislation, and I have been giving them assurances in that regard.

Mr. Benjamin: I appreciate there are some differences when one considers rapeseed as opposed to rye and, to a lesser degree, flaxseed. Would the minister agree that there might be an argument in favour of bringing one grain at a time under the jurisdiction of the Board? Less difficulty arises in connection with rye than with flaxseed or rapeseed.

Mr. Lang: I would agree that these three grains ought really to be talked about separately because of the possibility that important differences might exist in each case. Certainly, if producers clearly took the view that rye should be placed under the board's jurisdiction, this could happen ahead of the time the other grains were considered.

Mr. Skoberg: Could the minister tell us whether he will be in close consultation with the Minister of Agriculture (Mr. Olson) who has expressed doubt as to the wisdom of placing all these three grains under the jurisdiction of the Wheat Board. What kind of consultation is he carrying on with the Minister of Agriculture in this regard?

Mr. Lang: There is very close consultation indeed. My colleague is fully in agreement with me that this subject requires further discussion with, and understanding by, producers. On this matter, as is the case in connection with other matters with which he has to deal, he believes the will of the producers with regard to the conduct of what is, essentially, their business, should prevail.

The Acting Speaker (Mr. Laniel): Is the motion agreed to?

Mr. Korchinski: On division.

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

* * *

[*Translation*]

POST OFFICE ACT

AMENDMENTS RESPECTING STAMP AGENTS' COMMISSION, LETTER MAIL PREPARATION ARRANGEMENTS, EXTRAORDINARY SERVICES, MEMBERS' MAIL, ETC.

Hon. Jean-Pierre Côté (Minister without Portfolio): moved that Bill C-240, to amend the Post Office Act, be read the second time and referred to the Standing Committee on Transport and Communications.

He said: In discussing this bill of major importance to the Canada Post Office, I wish to speak first, in general terms, of the present situation. The Post Office finds itself confronted with mounting costs for wages, transportation and materials. Many of its buildings are obsolete, overcrowded and unsuitable. The Post Office deficit reached a new high for the fiscal year just ended. In short, we are faced with formidable problems which are difficult to solve. Hon. members may say that these words are familiar, that they have been said before. It is true, the situation I have outlined is not new to the Canada Post Office or indeed, to any postal administration in the western world. Nevertheless, these conditions must and will be improved.

[*English*]

In speaking of what is being and will be done, I must first express my appreciation and, I am sure, that of all hon. members, to the more than 50,000 men and women throughout Canada whose efforts provide a postal service which is among the best in the world. We depend upon and need their support and co-operation in coping with the problems we face.

Among the specific problems, one which concerns me greatly is the loss of public confidence the Post Office has experienced in recent years. As I have said before, this confidence must be restored if the Post Office is to be able to continue its vital role in Canadian society. To this end, we are moving to improve services through major reforms.

We have instituted a new approach in our organization, that of decentralizing the administration. This is intended to put responsibility and accountability in the region and districts where the action is. At the head of each of the four regions is a general manager. Headquarters, on the other hand, are now deeply involved in systematic long-range planning. Emphasizing management commitment and contribution to corporate goals, this planning is providing valuable orientation and cohesion to the many operational reforms.

The Post Office is relying heavily on marketing principles to determine the needs of customers and to tailor services to meet these needs. The effect of this is reflected in the recently-announced assured mail delivery program, made possible by radical transportation and mail-processing changes, and by a general tightening up of internal operations. Accompanying this program are major efforts to improve productivity. Statistics from a comprehensive quality assurance program designed to monitor all mail services, show that vast improvements have already been effected.

[*Translation*]

We have long-range plans to replace inadequate mail processing facilities in major cities with up-to-date plants, in which working conditions will be second to none. The recently-announced facilities for Toronto launched this program. Montreal will be next. These plants will contain the mechanized mail processing equipment necessary to make the national postal code operate at maximum efficiency. As you know, Ottawa is the pilot area for the code, which will be introduced to the rest of the country over the next two years.

At the same time, the Post Office is giving urgent attention to its retail outlets. Tangible evidence of the new approach here is the postal boutique opened at the Fairview Mall in Willowdale on March 1. Plans call for more such outlets, which among other things, will provide other government departments and agencies with the opportunity to disseminate information and sell their products. A program to improve the service and the appearance of small offices is scheduled to get underway in July.

These, and associated improvements, will, I am certain, result in better service. Post Office management consults with the postal unions at each step in the introduction of a new program. This atmosphere of consultation, together with the improved working conditions that these programs encompass, will, I am sure, bring about better relations with the unions.

In order to reap the full advantage from service improvements, and to enhance the image of the administration and the postal worker in the eyes of the public, we are placing more emphasis on public relations.

I have no doubt that this new presentation, the improvements in service, the new retail outlets, and the greater use of outlets by government organizations, will enable the Post Office to project more effectively the federal presence throughout the nation.

To all concerned—observers and those whose task it is to bring about the changes I have just mentioned—a question constantly comes to mind: Can the Post Office meet its costs? I am convinced that it can, given the fact that the services it provides are, for the most part, of a commercial nature. It would therefore appear reasonable to assume that the Post Office, given the authority to act in a commercial environment, would be able to break even on its operation.

Government has to decide if the taxpayers of this country should subsidize services whose main users are business and industry. Approximately 80 per cent of Post Office volumes are in fact derived from business and industry. Given this, the principle of successive operating deficits, to be supported by general taxation, would appear inequitable.

• (4:20 p.m.)

On the other hand, we must bear in mind that the Post Office provides a service which is essential to many Canadians, particularly those who live in far away communities. That is a reason why rates for first class mail are uniformly applied across the country, whatever may be the distance travelled by this mail. Our country being so vast, it is understandable that deficits should occur in certain areas.

[*English*]

I have nevertheless learned during recent visits to Britain and the United States that postal administrations are confidently planning to achieve financial self-sufficiency within the foreseeable future.

With the assured mail program, the Post Office is hoping not only to recoup revenues and business lost during the labour turmoil of last year, but to attract new business and, correspondingly, to increase revenues. It is with this in mind that the deficit for 1971-72 is estimated at about $113 million, a reduction from last year, which is encouraging. This is the deficit we expect without any increases in the postage rates. Obviously, we must look to such increases if the gap between revenues and postal costs is to be narrowed significantly.

For 1971-72 the basic losses will occur in letter mail and second and third class mail. Although we anticipate a deficit of some $30 million this year in providing service to the newspapers and periodicals, we are not now recommending any increase in these rates. This does not mean that we are not concerned with the substantial deficit. On the contrary, an in-depth study of the second class mail service is underway. In view of the historical concepts that have governed the fixing of rates for these publications in the past, and the fact that the last part of the phased-in increase in these rates took effect only a year ago, we are deferring the question of any further rate adjustments until our study is completed.

This year's loss on third class mail is expected to be just about $38 million. This category covers printed material of various sorts, such as advertising circulars and catalogues, Christmas cards and small packages of merchandise that do not weigh over one pound. The postage rates for this class of mail were last adjusted in November 1968.

As you will have noticed in the bill, an increase to be phased in over two calendar years is proposed on letter mail up to one pound. In terms of the purchasing power of the dollar, the basic increase of seven and eight cents is actually lower than the four cent rate which came into effect in 1954. On very much the same basis, the new rates represent a lower charge to Canadians for the service provided than what the people of other countries, such as Britain, Germany, France, Australia and The Netherlands, must pay.

Mr. McCleave: May I ask the minister a question?

Mr. Côté (Longueuil): At this point?

[*Translation*]

The Acting Speaker (Mr. Laniel): Will the minister allow a question from the hon. member?

Mr. Côté (Longueuil): Yes, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Laniel): The hon. member for Halifax-East Hants.

Mr. McCleave: Does not the third class rate also embrace solicitations by charitable organizations?

Mr. Côté (Longueuil): It depends on how the solicitations are made. If it is by sending circular letters to people, then that kind of mail is included.

The effect of the rise in postage rates on the general public would be marginal. The department estimates that the average cost per person per year would increase approximately 25 cents on July 1, 1971 and 50 cents on January 1, 1972. We are seeking the hike in two stages to lessen the impact of increased mailing costs on business.

The new letter rate schedule, because it calls for reduced charges per ounce for successive weights up to one pound, better reflects the relationship between our prices and our costs. The facts are that the Post Office's costs of handling lightweight letters do not increase in direct proportion to their individual weight. The new rate structure reflects our intention to move away from traditional concepts and to orient our rates towards more realistic market and economic considerations. As hon. members will notice from the bill, the increased rate for letters weighing over seven ounces will be slightly smaller.

• (4:30 p.m.)

In the case of the letter packets over one pound, cost do rise in proportion to the weight and distance over which such items are conveyed by air. In this regard, we are asking for the authority to regulate the rates for letter mail over one pound. I am convinced that a zone rate structure would bring greater equity in the rate levels for these heavier letter items, and would afford those who wish to use air service the same advantages they enjoyed before air parcel post was abolished in 1969, that is, more equitable rates which take distance into account.

[*Translation*]

It is estimated that the proposed adjustments in our domestic rate structure will yield some $37,140,000 in the current fiscal year and $80,720,000 in the 1972-73 fiscal year.

You will have noted that we are seeking authority to provide rate incentives to large customers who are willing to prepare their letter mail under conditions which would reduce our costs. In brief, what we are proposing is simply an extension of the rate incentive principle introduced in 1964 for quantity mailings of third class articles.

To be eligible for the incentive letter rates, the mailer would have to comply with clearly defined conditions and standards of mail preparation and mailing procedures, including the posting of mail at times which would reduce Post Office costs by helping to level out production peaks and valleys. In no case, would the benefit to the mailer exceed the net reduction in costs to the Post Office. Details of this program, as it applies to first class mail, will be announced later following further consultation with regional and district office management as well as with the postal unions.

I trust that what I have said has given you an insight into the nature and objectives of the changes in the Post Office Act proposed in this Bill. In concluding, I wish to stress that, if the Post Office is to maintain its present level of contribution to the Canadian economy, the only solution to our adverse financial position, lies in a better correlation between postal rates and costs of providing postal services to the people of Canada.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have listened attentively to the minister's statement, explaining why his department feels it must increase postal rates in Canada.

[*English*]

The reasons given by the minister for the increase in rates do not satisfy me, and I am sure they do not satisfy members of my party. The highlights of the bill include an increase in the rate for first class mail and the establishment by regulation of the rates for letter mail. Let me say to the minister that if he could assure the House this surcharge on industries and private individuals would be used to restore the reliable postal services once enjoyed by the Canadian people, I am sure most Canadians would accept it. Until such an assurance can be given, it is unjustifiable for the government to come to Parliament asking for an increase in rates. If the increased revenues are to join the millions of dollars in the bottomless pit of Post Office deficits, then again we are opposed. While there are frequent airline services between most Canadian cities, I am opposed to such increases.

As long as first class mail takes several days to get from Toronto to Montreal, from Saskatoon to Calgary and from Halifax to Moncton, or from one city to another in this country, I am opposed to this increase. This is what is happening. Mail leaving Ottawa addressed to my riding in Nova Scotia took two days when I first came here. In order to have people receive mail in my riding on Tuesday I must post it on Wednesday afternoon of the preceding week. This is absolutely ridiculous. Until Canadians receive the type of mail service they deserve, the government has no right to come to Parliament asking for an increase in rates.

A recent device has been advocated in relation to posting mail before 3 p.m. This is one of a number of gimmicks adopted by the postal services. This is a manipulation by the public relations branch of which the minister spoke so highly. He suggested this procedure would give improved service and, in turn, improve public relations. There never was any need to post letters before

3 p.m. in order to obtain service. Only within the last couple of years has this been the case.

It seems to me that 24-hour mail service is possible and absolutely necessary between large cities. We have direct flights between these cities. Surely, it is possible to have 24-hour service for letters to be delivered within the bounds of a city without the necessity of all these gimmicks. After looking at the debates which took place in March of this year, it seems to me that current deficits have been stated to be the result of increased costs of labour, transportation, mechanization and modernization. I suggest that the current deficit is the result of inefficiency in the last couple of years. The Post Office has been inefficient in respect of these fields of transportation, labour, mechanization and modernization. That is why this type of bill we are considering today is required. This is the case in respect of not only the postal department but other departments of government. All these departments are lamentably lacking in morale.

Since the new minister assumed office there has been an improvement in the morale of postal employees. For this I respect the minister and give him credit. He has attempted to restore morale. The general record of this government in respect of labour costs, transportation, mechanism and modernization has been absolutely incredulous. The government can talk about increasing costs but we will never be convinced that an increase in the rates will help solve present problems. Such an increase will not improve efficiency. Perhaps this bill might have been more acceptable had there been a government policy statement that the increased rates would result in increased efficiency.

• (4:40 p.m.)

I repeat that the postal service is not such as to encourage anyone to give a blank cheque in respect of an increase in the rates. Questions must be answered regarding the post office. Are we to have an increase in postage rates and continue to have a decrease in postal service? This is a question which has not been answered. Has the delivery service been accelerated? It has not been in respect of parcel mail. In many cases a parcel will not reach the coast of British Columbia in ten days and sometimes longer. This is another question which has not been answered by the minister this afternoon. There would appear to be a difference between the 1970 deficit as stated in the annual report and as mentioned by the minister in his statement of March 29 in the House. The annual report states that the deficit is $52 million. On March 29 in a speech the minister said:

> I should like to make a few remarks regarding the point raised by the hon. member for Surrey-White Rock. The Post Office deficit is not $52 million. Last year it was $120 million and this year we forecast a deficit of $113 million.

I cannot understand why the annual report would show the deficit as $52 million and the minister would state that the deficit is $113 million. This is another question which was not answered in the past and which has not been answered this afternoon.

We might take a look at some of the clauses of the bill. On page one, for example, in the first clause we see there is to be an increase in the commission of agents selling postage stamps. This commission is to be increased from 2 per cent to 5 per cent. We might ask what prompts this increase. Will we have better service as a result of doing this? The argument the government uses in respect of the increase is that it is needed to improve the service. In subclause (3) of clause one, we see that the Postmaster General may delegate certain powers and functions to departmental officials. Again I ask whether this will bring about more efficiency. What is the minister's responsibility to be now? So far as I am concerned, he must be responsible for the Post Office Department.

Then we see in clause 2, that the Postmaster General is to have the authority to change rates by regulation. The Postmaster General is to be given the power to tax without representation. The power to tax without representation is always risky no matter what department is involved. We have asked what is the volume of mail. This question has not been answered. We have asked about the income from this class of mail. We wonder what part of the business will be effected by these changes. Clause 3 is the clause which allows the increase, in two stages over a six-month period, on letter mail to eight cents. The present rate is six cents, as was pointed out by the minister, on one ounce for a first-class letter and this is to be increased to seven cents in July and eight cents beginning next January. Again, we have not been given any valid reason for this. Perhaps this type of increase might be justified if the government had proven itself in respect of the labour problems in the post office, in respect of transportation and so on.

The minister announced that once the bill is passed the government will increase third class mail rates. The minister will have this power. An increase in third class rates will affect many organizations. Other members I am sure will wish to speak on this. For example, charitable organizations are now paying five cents and this rate will be increased to six cents. Charitable organizations have a different enough job at the moment without being charged an additional cent for each piece of mail sent out. We might say that one cent is not much, but it is quite a bit. Again, we complain about the service deteriorating and at the same time are faced with an increase in rates. In the 1970 annual report we see that the volume of mail in 1968-69 was 4.9 billion pieces and in 1969-70 it was 4.8 billion pieces. It has gone down. The department has become very inefficient and the increase in rates will not deal with this problem. The mail must move. It moved before 1968, that is before the government started reorganizing things and I suggest it could still move.

There is no doubt that the service could be improved between cities, within cities and everywhere across the country. Many rural post offices have been closed. This practice has been stopped by the present minister but the damage has been done. If the confidence of the people could be restored in our postal department, then the government might have a right to come before us and say that since there is to be an improvement in service there should be an increase in rates to make the system a bit more viable. The minister stated that there has been a

vast improvement. I ask him how he can talk about a vast improvement. How can he make a judgment such as that. Certainly, I would judge improvements by the service given. The service is absolutely lousy. "Lousy" is not a strong enough word. I judge improvements not by increased rates, not by the promotion of certain gimmicks, but by the service given the public.

[*Translation*]

Mr. Speaker, the minister said he would try to bring about further improvements in the service. That is just what we have been trying to achieve for the past three years. With all deference to the minister, I would ask him not to allow himself to be led by his officials, by the same people who have been in charge of reorganization for two years.

[*English*]

That is completely unacceptable to the Canadian public because service is what the people want. The minister asks whether the post office could pay for itself. Sure, it could pay for itself. I am not against a move along the line of trying to make the post office pay for itself. We can continue to raise the rates and decrease the service, but after a while there must be a balance point. Surely, there is a limit to how much the Canadian public can take and how much we have to pay for the movement of a letter from one place to another. One reason for the decrease in service in rural areas is that the service in these areas does not pay for itself. I suggest to you that we pay taxes in this country to make sure that those parts of the service which pay for themselves will help to cover the deficits in those rural places where the service does not pay for itself. We pay taxes in this country to make sure that these places have a postal service. We contribute through our taxes to the operations of the Post Office Department because we want letters to move on a 24 hour basis, we want letters to move from one city to the next, to move within the cities, and from one rural village to the next.

• (4:50 p.m.)

The public would not mind increases in the rates if improved service came with them, but with the type of inefficiency we have it is totally unacceptable for the government to come to us asking for an increase in rates. The Canadian public does not have to put up with this. In view of all this, and in view of the reasons given to us by the minister, I suggest that the bill should not be read a second time now, and that the minister should explain some of the matters I have raised with respect to the service. The minister should make an honest assessment and tell us what he plans to do to improve the service. Only then will we be able to give the government and the minister the right to increase rates. I suggest that the bill should not now be read a second time, in fact that it should not be read at all. Therefore, I move:

That all the words after "that" be deleted and the following substituted therefor:

"This bill be not now read a second time but be read a second time this day six months from now".

[Mr. Comeau.]

Mr. Speaker: I assume the hon. member will allow the Chair to have a copy of the amendment, or perhaps the original. I might suggest to the hon. member that, although there is no difficulty about the procedural aspect of the amendment, it might not be a bad idea to give consideration from time to time to following the accepted form in this kind of amendment, normally referred to as a six months hoist. The wording usually adopted is that the bill be not now read a second time but this day six months hence. This is a detail and I do not want to make an issue of it in any way, but there are accepted forms and perhaps it might be better if we were to respect these forms. The motion has been put.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, in this discussion I think it might be useful if we took a brief over-all view of the Post Office in order to gain a better understanding and perspective of what is involved in its detailed operations. The Post Office is probably the federal service which touches more people more frequently than any other. It is a vast service. It handles close to five billion pieces of mail per year. It serves five million doors. It operates 9,000 post offices, and it employs close to 50,000 people. I think it is fair to say that, despite its problems and recent troubles and disruptions as well as the curtailment of service, the Post Office provides a very good service. We should remember that our Post Office provides part of a global postal service, a part of 132 such services in as many countries. It is a splendid example of what can be attained by co-operative action for the common good.

In my view the Post Office should not be regarded, as it so often has been by both of the older parties, as a place of some importance to which sometimes transient ministers going from post to post are appointed. We have had—and I believe this figure is accurate—11 postmaster generals in the last 14 years. In my view, the Post Office and the public it serves deserve something a good deal better than that. We would not tolerate 10 or 11 head men for, say, Air Canada in 14 years. We should not tolerate it in the case of the postal service. I cast no reflection on the present minister responsible for the Post Office but I suggest to him, to the House and to the country at large that if anyone is going to do a good job any place, any time, anywhere, he must have a longer period of time to study the problems and to get acquainted with his job than postmaster generals have had until now. I do not know whether it is the intention of the government to shift this minister to another post but I do not think it is fair to him or to the country, nor do I think it would be fair to the new minister who would replace him. In this respect we should demand of governments better and more consistent management, and whatever the future holds for the present minister I hope it will not be a shift of this nature.

In my opinion, whether efficiency is achieved by making the Post Office a Crown corporation rather than a department of government in some other manner, we need to look upon the Post Office a good deal more seriously than has been the case so far. We need to improve its long range planning, its costing procedures

and its stability. Having made these introductory remarks, I should now like to turn to the details of the legislation before us.

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

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—East Pakistan conflict—Discussions with Indian and Pakistani representatives—provision of relief supplies; the hon. member for Moose Jaw (Mr. Skoberg)—Airports—Toronto International—method of letting contracts for skycap services; the hon. member for Halifax-East Hants (Mr. McCleave)—Post Office—last daily pick up of mail in cities.

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

PRIVATE MEMBERS' MOTIONS

HEALTH

MEDICARE—SUGGESTED DISQUALIFICATION OF PROVINCES IMPOSING DETERRENT FEES OR FAILING TO USE FUNDS FOR MEDICAL SERVICES ONLY

Mr. Les Benjamin (Regina-Lake Centre) moved:

That, in the opinion of this House, the government should give consideration to the advisability of introducing legislation to amend to Hospital Insurance and Diagnostic Services Act and the Medical Care Act to provide (a) that the imposing by any province under its own hospitalization and medical care plans of deterrent or utilization fees upon recipients of these services, or (b) that the failure by any province to make legislative provision that all funds received from the federal government shall be used only to cover costs of its hospitalization and medical care plans will disqualify such province from receiving any share of costs from the government of Canada.

• (5:00 p.m.)

He said: Mr. Speaker, this motion has been on the order paper in my name each session of this parliament. Until something is done about the subject matter of the motion it will remain on the order paper for as long as I am a member of this House.

I spoke on this subject in October, 1968, in the first session of this Parliament, and I will repeat some of the remarks I made then because they are as valid now as they were at that time. But I also have some additional evidence to support my contention that measures must be taken that will effectively prevent provinces from implementing deterrent fees to be paid by the recipients of medical care and hospitalization services, and will effectively prevent provinces from making any other use of funds received from the federal government for their hospital and medical care plans. The motion asks the government to consider a method that would effectively accomplish the purpose stated in it, namely, that when a province decides to implement deterrent fees or to use funds received from the federal government for some other purpose, it would no longer qualify for any share of costs from the government of Canada.

Universal public hospitalization and medicare plans in theory imply, and in fact require, that the total population prepays the cost of hospital and medical care benefits that any citizen may incur in the event of illness. In spite of organized opposition from some individuals and groups, the fact is that the overwhelming majority of Canadians wish to participate in a collective way to protect themselves and their families from being faced with large financial obligations at the time of illness, or immediately after illness strikes. In other words, Mr. Speaker, the consumers of medical and hospital services decided through their governments to prepay the costs of their hospital and medical care needs. Underlying these measures is the principle that good health is a right, not a privilege, of every citizen of this country. It is a basic tenet of such public programs that regardless of financial means or station in life, the right to good health and treatment for illness shall not be denied to any citizen because of financial barriers.

The intent and purpose of universal hospital and medical care plans are to provide full and equal access to the best possible health care for each citizen regardless of his station in life, financial means, race, colour or creed, or his place of residence. They are a way of spreading the cost of health care over the entire population, and of removing the financial burden of hospital and doctor bills from the patient. The great majority of citizens have decided, through their democratically elected governments, that they wish to pay in advance for their hospital and medical care through yearly premiums, through income tax and sales tax, and other similar measures. Premiums, of course, are a fixed charge on every citizen. Income and sales taxes to a larger or lesser degree are based on ability to pay. This then brings me to the purpose of this motion. Experience has shown and is showing that some provinces are imposing additional charges that completely negate the intent and purpose of public hospital and medical care plans, including the federal Medicare Act and the Hospital Insurance and Diagnostic Services Act.

The imposition of so-called deterrent fees, or utilization fees, or co-insurance fees on a patient is, in fact, an extra tax on those who become sick or injured. It means that people who have already paid for their hospitalization and doctor care through their premiums and taxes, must pay again as soon as they are sick. Such charges, I submit, fly in the face of the intent of our national Medicare Act, and are perpetrated because of loopholes in the Hospital Insurance and Diagnostic Services Act. The effect of deterrent or utilization fees is, in fact, to deny reasonable access to medical and hospital services to the poor, the chronically ill, the aged, and those with

large families. Section 4(1) (b) of the Medical Care Act is most explicit on this score. It says that medical services are to be provided for insured persons and that nothing, directly or indirectly, whether by charges or otherwise, shall impede or preclude an insured person—mark those two words—impede or preclude an insured person from access to such services.

Those who support deterrent fees can argue that deterrent or co-insurance fees are not specifically mentioned. Well, they are not, Mr. Speaker. In fact, however, the federal act discourages such charges which could have the effect of impeding reasonable access to insurance services by insured persons, since these fees are not considered as a cost to be shared by the federal government. In fact the federal government, the Parliament of Canada, says in the act that the provincial plans must provide for the furnishing of insured services upon uniform terms and conditions to all the provinces in accordance with the various tariffs, etc., set out under the law. That service must be provided upon a basis that allows for reasonable compensation for insured services to medical practitioners and, I quote, "that does not impede or preclude, either directly or indirectly, whether by charges made to insured persons, or otherwise, reasonable access to insured services by insured persons."

To further strengthen the point, I want to call for my witness the Minister of National Health and Welfare (Mr. Munro) himself, and I am sure that hon. members on the government side will agree with me that he is an ideal, unimpeachable witness. I would refer you, Mr. Speaker, to the minutes of the Standing Committee on Health, Welfare and Social Affairs, issue No. 24, of Thursday, April 1, 1971. As recorded at page 13, I asked the minister if the government considered the use of deterrent fees by any province with respect to its plan, in any way flies in face of the principles laid down in the Medical Care Act. The minister replied, and I quote:

> As a general principle, in our dealings with the provinces with reference, say, to medicare, we generally have tried to discourage the type of deterrent fee structure set up by the provinces. We have argued that it is an inhibitor to accessibility, and that we would like it discouraged.

Note that last sentence, Mr. Speaker. The minister says "we"—meaning he, the department and the government have argued that deterrent fees are an inhibitor to accessibility and that they would like them discouraged.

Further, as recorded at page 14, the minister said in response to my questions, and again I quote:

> It may appear that I am contradicting myself in the sense that we regard it as an inhibitor against accessibility, and at the same time the studies would indicate it has not had too much effect. Of course that is the trouble with deterrent fees. Once the principle is inaugurated there can be a tendency for them to become a greater and greater proportion. Of course I think it is inevitable, especially with the people these programs are designed to assist, and I am talking about the lower-income groups, that sooner or later it is going to inhibit the accessibility of those people.

In a further reply recorded at page 15, the minister said:

> Generally, I would like to see it discouraged. You are not going to get much argument from me in the philosophy you are expounding now.

[Mr. Benjamin.]

Surely, it is obvious, Mr. Speaker, that the effect of these kinds of charges must be to inhibit—to use the minister's word—or impede, or preclude—to use the words in the Medical Care Act—reasonable access to medical or hospital services. Surely, this is most apparent in the case of the poor, the aged, the chronically ill and those with large families. These deterrent fees are being imposed in more than one province. In particular, they are being imposed in my own province of Saskatchewan. There, the deterrent fee is $1.50 per call on a doctor, $2.50 per day for the first 30 days in hospital and $1.50 per day for the next 60 days.

• (5:10 p.m.)

Surely, deterrent fees must inhibit or impede or preclude reasonable access to medical services since it is possible to pay the $1.50 deterrent fee four or five times in a single day, because it can be charged by each doctor the patient might see for the same illness. You could go to a general practitioner with, say, a stomach ache. He would charge the deterrent fee and refer you to an internist, who would charge you a deterrent fee and turn you over to a radiologist, who would charge you a deterrent fee and then refer you back to the general practitioner who would prescribe medicine. You would be charged the fee for consultation. Even though you have already paid for your medical care through your income tax, your sales tax and your premium payment, you will pay again when you are sick. In addition, the fee is charged for every single office and house call for the same illness or injury, no matter how often you must go to the doctor.

The chronically ill, and more particularly cancer patients, are victimized because of the number of times they must visit their doctors, or the number of times the doctors must visit them in their homes. They are victimized also because of their numerous hospital stays, some of which are very lengthy. Someone unfortunate enough to be ill with cancer has enough trouble, I submit, without being saddled with these various additional unfair and unjust costs. Someone sentenced to death by cancer and forced to lie for weeks or for months in a hospital bed, should not, at such a time, be burdened with extra costs which an unconscionable government, either provincial or federal, has imposed on him.

The problem of deterrent fees imposed on treaty Indians has still not been solved. It is quite clear that the Department of Indian Affairs and Northern Development and the federal government feel that the exaction of these fees would prevent Indian people from receiving reasonable access to health services, and they decided to pay the fees on behalf of the treaty Indians in Saskatchewan. Surely, this is further evidence that the government believes deterrent fees violate the intent and purpose of the hospitalization and medical care acts.

What about the Métis people, whose income in many cases is as low as, if not lower than, the income of the Indian people? Is it not logical to suppose that these fees will affect them adversely, too? What about other classes of people with similarly low incomes? We hear it said that no one will be turned away. But anyone who goes to

a hospital at ten o'clock at night in an emergency and does not have the required $25 deposit will not get in, and no bureaucrat will be able to convince me that anyone can get $25 from a social agency at that hour of the night.

The deterrent fee in connection with hospitalization is equally vicious. At $2.50 a day for the first 30 days, and $1.50 a day for the next 60 days, a total extra tax of $165 is imposed on a sick person who has the misfortune to be hospitalized for 90 days. The reason most often given to justify the imposition of deterrent or utilization fees is that they serve to curb abuses of the hospital and medical services. This is pure baloney. In fact, the baloney is no longer pure. It is old, it is bad, and it smells to high heaven. Abuses by whom? Where, when and how is there an abuse? Not the slightest evidence has ever been researched or presented to indicate that there is any significant amount of abuse. The infinitesimal number of people who might be considered hypochondriacs should not be deterred either, because they are sick, too. They may be a little bit sick in the head but that does not mean they do not need a doctor. They need a psychiatrist.

Mr. Osler: We are all here.

Mr. Benjamin: I know there is one here from Winnipeg and I hope he can get to his psychiatrist real fast.

Mr. Knowles (Winnipeg North Centre): That is Winnipeg South Centre (Mr. Osler)!

Mr. Benjamin: To suggest, and some people have been stupid enough to do so, that deterrent fees will correct abuses of the use of hospital beds is to ask us to believe the unbelievable. No patient can admit himself to hospital or stay in a hospital one day longer than his doctor says he can. If there are abuses in the use of hospital beds, charging a patient extra for something over which he has no control is both callous and unjust. If there are any abuses of hospital admissions and length of stay, they can be laid entirely at the door of the doctors and the hospital administrations, not at the door of the patient.

The Hall Royal Commission, appointed by a Conservative government, came out strongly against deterrent or co-insurance fees which their report stated would simply deter the poor and have no effect on the unnecessary demands in the middle and high income categories. Such a policy would mean Canada was simply continuing to ration health services on the basis of ability to pay. This position was subsequently endorsed by the Canadian Welfare Council.

I submit that this principle was accepted by the federal government on the day in 1966 when the Medical Care Act was passed. The criteria then established included comprehensiveness of medical service, universal coverage, administration by a public authority, and portability between provinces. Surely, the imposition of deterrent fees negates two of those four principles. Surely, it negates the principle that provincial plans must be universal, that the provinces must make health services accessible to all without regard to financial circumstances. And surely it negates the principle of portability, when someone from a province which does not have deterrent fees has to use hospital or medical services in a province that does, and thus has to pay an additional tax. Surely that inhibits, impedes and precludes the principle of portability. In giving effect to the medicare plan, the federal government is rightly accepting responsibility to see to it that every citizen in Canada, no matter where he might reside, will not be denied the basic right to reasonable access to hospital and medical care. According to the act of 1966, reasonable access means financial access.

I said earlier that there is not the slightest evidence that there are abuses in hospital use by patients, nor do I think there are abuses of the doctor's time by patients. If there are, the doctor is fully free to turn the patients away. But I believe there is evidence to prove that deterrent free do in fact impede, or inhibit or preclude people from having full and reasonable access to hospital and medical care services under the national and provincial plans. I know that the minister has given grants for studies to be made on the effect of deterrent fees, and I believe he knows there is evidence already at hand, probably in his office, to prove this statement.

May I ask the minister what other studies are being carried out? What further plans does he and his department have to carry out more investigations? What is he doing? I believe there is evidence that the imposition of deterrent fees reduced the costs of the total plan to the province of Saskatchewan in 1968 by 6 to 7 per cent. Although they may claim it reduced costs by as much as 10 per cent, I suspect the books have been cooked a little bit. I know that there is evidence that the reduction of costs resulting from the imposition of deterrent fees has been transferred to the patients and that transfer of those costs has fallen most heavily on certain categories. It has had very little or no effect on middle and high income groups, and as much as 25 per cent of certain families have been adversely affected. The worst effect of all is on the large families, on the aged, on the chronically ill, and on the low income groups. I believe there is evidence to force a conclusion that the imposition of deterrent fees has caused, and is causing, a reduction in service to these groups. Surely, the principle of medical care and hospitalization plans is to reduce the disparity in medical and health services available to people. Surely, it is apparent that deterrent fees fly in the face of that principle.

I believe investigation will turn up evidence to show that there have been many changes in the way doctors function since deterrent fees have been imposed in various places. For example, I will bet a dollar to a hole in a doughnut that investigation will show there has been a marked increase in total examinations. This is only logical. When a patient who only needs an arm or a leg examined, comes to see the doctor the fee for this is $4. After deducting $1.50, the doctor can only bill the medical care insurance plan for the remaining $2.50 and hope to get the $1.50 from the patient. If the doctor conducts a full examination, which pays $8 or $10, he can deduct the $1.50 and then bill the plan for the balance. This is

logical and the doctor could not be blamed for it. The deterrent fee has made the doctor misuse the service.

• (5:20 p.m.)

Mr. Deputy Speaker: Order, please; I regret to interrupt the hon. member. I do so to advise him and the House that his time has expired.

Mr. Benjamin: Mr. Speaker, may I continue for a few minutes?

Mr. Deputy Speaker: The hon. member may continue if he has the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Mr. Benjamin: Thank you, Mr. Speaker. The matter is bound to get talked out, in any event.

An hon. Member: The hon. member is the one talking it out.

Mr. Benjamin: I am trying to be helpful to government members, none of whom know anything about this and none of whom are prepared to speak to this matter.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Benjamin: The example I gave the House involving partial and full examinations is merely one of many examples I could bring forward regarding the unfortunate change in procedure that deterrent fees have forced both upon patients and doctors as well as the hospital staffs.

Each province has the right and jurisdiction to establish whatever kind of hospital or medical care plan it wishes. If a province wishes to, it may establish deterrent fees. If it chooses to do that, if it chooses to implement a plan that is unfair and unjust to the consumer of these services, it should not be aided and abetted by the resources of the federal plan. The effect of this motion, if passed, will be to ask the federal government to consider making changes to legislation in this field.

The second part of the motion, which I will not dwell on, has to do with what I consider is the misuse by at least one province of the share of funds allotted to it by the federal government. During the last year the province of Ontario had an excess of revenue over expenditures in connection with its OHSIP plan. The surplus in OHSIP figures for the year 1970-71 was $32.9 million. It is estimated that the surplus in 1971-72 will be $3.6 million. These additional funds are being generated at the expense of places like nursing homes. These funds should be used to meet the costs of medical care and the hospital services plans but they are being syphoned off into other plans. No wonder premiums in Ontario are so high. Federal funds are being misused and misappropriated by governments such as that in Ontario.

Some hon. Members: Hear, hear!

Mr. Benjamin: I think hon. members on the government side fully agree with that part of my motion. I hope they will pass it so that the government may reconsider the legislation in this field.

The result of amendments would be that provinces like Saskatchewan, for example, would have one of two choices. Such provinces could charge deterrent fees if they wish; they could choose to collect $7 million worth of blood money from the sick each year or they could obtain $15 million from the federal government under the national medical care legislation. That is the choice open to them. I submit that the government of Canada should not, under the federal legislation, aid and abet such provinces in the charging of deterrent fees.

I hope hon. members on all sides of the House will agree that amendments to the federal legislation ought to be made so that this unjust and callous treatment of the poor, the chronically ill, the aged and of those with large families will no longer be meted out by provinces which wish to share in the federal medical care and hospital insurance plans.

Mr. Maurice Foster (Algoma): Mr. Speaker, I should like to join in the debate this afternoon on the motion moved by the hon. member for Regina-Lake Centre (Mr. Benjamin) concerning deterrent fees and utilization fees. The hon. member mentioned that a similar motion in his name has been on the order paper since 1968. I recall a motion like this being debated several times.

Mr. Benjamin: Only once, I think.

Mr. Foster: As I recall, part (b) concerning the use of funds by a provincial government for purposes other than medicare was not included in the original motion. I think this certainly is a sore point with regard to the province of Ontario, and I am glad to see that that part has been added to the motion which is before the House today. I should like to review for a moment some of the background of the Hospital Insurance and Diagnostic Services Act, which came into effect on July 1, 1958, and the Medical Care Act, established in 1966. I think hon. members will have a better understanding of the intent and purpose of these important pieces of legislation.

The Hospital Insurance and Diagnostic Services Act provides for federal contributions to participating provinces for a specified share of costs incurred by provinces in respect of public hospital insurance programs which they administer. The federal share of costs represents 50 per cent of sharable costs for all Canada, although the share to any individual province may be slightly more or less than the 50 per cent figure. This share is calculated on the basis of 25 per cent of average national per capita costs, multiplied by the eligible insured population in each province.

The act specifies that insured services shall include the standard in-patient services provided by hospitals, as well as out-patient treatment and diagnostic services provided. Excluded from cost sharing are t.b. hospitals and sanatoria, hospitals for the mentally ill, and institutions that provide custodial care, such as nursing homes and homes for the aged. The federal government enters into agreements with the provinces and these agreements

cannot be terminated or amended unilaterally by the federal government except by giving five years notice.

The Hospital Insurance and Diagnostic Services Act is subject to the "interim arrangements" legislation which provides machinery for "opting out". So far, however, only the province of Quebec has exercised this authority. Recent statements by the treasurer of the province of Ontario and, to some extent, by the new premier as well, give us cause for wondering whether that province will be exercising this machinery for opting out at some time in the future. I certainly hope that will not be the case, Mr. Speaker. It seems to me that if major provinces with a large percentage of the population opt out of the federal plan, the overriding value of the program will be diminished.

The act, in its present form, permits provincial hospital insurance plans to make authorized charges directly to patients for insured services, but excluding charges by way of premium or other sum not related to a specific service, and these charges are not cost sharable by the federal government. Moreover, authorized charges are not acceptable to the federal government if they exceed 10 per cent of the cost of services. Variations, Mr. Speaker, exist in provincial hospital insurance plans because the act was designed to establish basic minimum levels of coverage; to allow provinces freedom to choose the method of raising their own share of costs; and because of the "opting out" feature of the legislation. Several provinces levy co-insurance and deterrent charges, but in all cases provision is made by these provinces for the payment of authorized charges on behalf of persons who would otherwise not be able to pay, or would be financially embarrassed by such charges. In other words, Mr. Speaker, no Canadian is denied necessary hospital care because of inability to pay.

The Medical Care Act establishes a grant-in-aid program whereby the federal government is empowered to make financial contributions to those provinces which operate acceptable medical care insurance plans that meet certain minimum criteria related to comprehensiveness of services, universality of coverage, portability of benefits and standards of administration. Federal funds became payable from the first of July, 1968, and are based on the national average per capita cost of insured services, excluding administrative costs, multiplied by the average number of insured persons in each province. With the exception of the Yukon, all provinces and territories have introduced provincial plans; and it is expected that the Yukon will have introduced an acceptable plan by the end of the current fiscal year.

• (5:30 p.m.)

The Medical Care Act, Mr. Speaker, embodies only four basic principles which must be incorporated and reflected in provincial medical care insurance plans. The reason for keeping these conditions few and simple is to avoid the necessity for entering into complicated signed agreements with each province, a feature of the Hospital Insurance Act. These principles are:

Use of Medicare Funds By Provinces

1. Comprehensive coverage for all medically required services rendered by a physician or surgeon, and there can be no dollar limit or exclusions except on the grounds that the service is not medically required. Mr. Speaker, there must be no financial impediment or preclusion of service to an insured person that would deny him needed medical care. Provinces also have the latitude to include additional health services in their programs should they desire. And if there is a consensus among the provinces, additional health services may be added to the national program.

2. Universal availability. Coverage must be available to all eligible residents of all participating provinces on equal terms and conditions. Moreover, in establishing a plan, coverage must be available to at least 90 per cent of the eligible population—a figure that went up to 95 per cent from April 1, 1971. This feature ensures access to coverage by all residents and prevents premium discrimination on grounds of previous medical history, non-membership in a group or other considerations. At the same time, subsidization in whole or in part for low-income groups or individuals is permitted.

3. Portability of benefits when the beneficiary is temporarily absent from his own province or when moving from one participating province to another. Portability ensures that coverage is not lost as a consequence of moving from place to place within Canada.

4. Non-profit administration. Public authorities administering medical care insurance plans are accountable to the provincial authority for all financial transactions.

Because the conditions have been kept simple, a province may qualify for shared federal financial support by reaching a federal-provincial understanding as to the nature of the particular provincial plan that is appropriate and acceptable for federal cost sharing. This gives each province considerable leeway to develop its own plan in the manner that best meets the particular requirements and circumstances of the province while still meeting essential national criteria. While it is true that the Medical Care Act does not preclude imposition of a utilization fee, the act clearly specifies that any such charge must not impede or preclude access to insured services by insured persons. In other words, no feature of a provincial medical care plan may deny insured services to the Canadian public.

I would add that the federal government does not especially favour utilization charges because we do not believe that such fees effectively control costs in the long run. However, provinces have the right under the Medical Care Act to determine in what manner the provincial share of medicare shall be financed and federal contributions under the act are made regardless of whether or not utilization fees are levied, providing the four essential criteria I have mentioned are met. For the information of this place, only one province has seen fit to levy utilization fees under its medical care insurance plan.

I turn now, Mr. Speaker, to the benefits to Canadians resulting from the hospital care and medical care acts which puts Canadians among the best medically cared

for people in the world. Our health coverage is universal, of a high standard, administered publicly, not by private carrier, and is portable virtually throughout Canada. These plans ensure that the less endowed provinces receive the same basic standards of coverage as the more affluent provinces and ensure that hospital and medical care is available to all Canadians. If I may refer again to the deterrent or utilization charges referred to in the hon. member's motion, as I have already stated such charges are allowable under the Hospital Insurance and Diagnostic Services Act and I do believe that these form the *raison d'être* for the motion before the House.

Concerning medicare, the federal government does not favour this method of provincial financing because we believe it can cause undue hardship to persons having only limited financial means and who as a group have greatest need to unfettered access to medical care without hindrance of any kind. Unless such charges are set at a level high enough to hinder or deter access to services, they are of little consequence. If such fees are high enough to deter, then they are self-defeating. In this regard there is no evidence to suggest that in the long run they naturally affect the level of utilization of service or the total cost of care. All they achieve is a transfer from the paying agency to the patient at the time when the patient is least able to afford such charges.

It is on the principle that a utilization fee will deter persons from running to the doctor for the most trivial matters that such fees are imposed. This reasoning is based on the false premise that only the poor make unnecessary demands on the service; the deterrent is seldom high enough to deter the more affluent user. I would quote Mr. Justice Hall, in a speech delivered in Saskatchewan in 1964, as follows:

> Stripped of all sophistry and regarded in their naked application, the so-called deterrents are a tax on the poor predicated upon the fallacious assumption that it is only the poor that would ask for frivolous services.

In 1968 Saskatchewan introduced deterrent charges. Initially this resulted in a decline in utilization of medical care services. However, today utilization now exceeds the previous level of use. It is too early to determine whether this fee has deterred anyone from seeking or receiving needed medical care, but studies in this regard are being conducted. I would also like to mention the peculiar backlash that can occur when utilization fees are imposed. Once over the initial shock, many of the general public increase their use of services, feeling that as they have to pay directly for the service they might as well use it at the slightest provocation.

I should, in fairness to the Saskatchewan plan, mention that the province has agreed to pay the utilization fee on behalf of those receiving public assistance, that it pays the fee for patients receiving "statutory benefits" for cancer, tuberculosis or mental health care and that any citizen may apply for special assistance to meet the utilization fee should his circumstances require it. Additionally, doctors and hospitals are encouraged to report to provincial authorities patients not in receipt of public assistance who could be embarrassed by the fee.

[Mr. Foster.]

On this basis, Saskatchewan has introduced a family ceiling of $180 for combined utilization fees for hospital and medical care. The fee per doctor's office call is $1.50, and for a doctor's house call or hospital emergency visit $2. The hospital insurance fees are $2.50 per day for the first 30 days, $1.50 per day for the next 60 days and no charge after 90 days. A charge of $1.50 is also made for each outpatient physiotherapy visit. Other provinces also charge hospital utilization fees which on the whole are quite nominal.

In conclusion, Mr. Speaker, with respect to part (a) of the hon. member's motion, the federal government's position regarding utilization fees is consonant with the hon. member's intent. The federal government certainly does not favour such fees being imposed under the Medical Care Act. However, it is our belief that experience with utilization fees will shortly lead to their abandonment because they do not achieve the purpose for which they were intended.

• (5:40 p.m.)

With respect to the Hospital Insurance and Diagnostic Services Act, generally speaking payments by the federal government to the provinces for hospital insurance are in the form of advance payments and final payments. Monthly advance payments are based on 25 per cent of the provincial disbursements for the previous month and 23½ per cent of the estimated national per capita costs applicable to the number of insured persons in the province at the end of the month. Under this arrangement, advance payments have always been much less than the provincial disbursements already made, usually approximating 50 per cent of the provincial disbursement of the previous month. Final payments under hospital insurance are made approximately two years following the actual disbursements by the province. It would therefore appear that the proposed amendment concerning the application of federal moneys by a province would not be appropriate in so far as the Hospital Insurance and Diagnostic Services Act is concerned because the objectives of the amendment are already, quite clearly, being achieved.

With regard to part (b) of the hon. member's motion, this would, as I say, seem to be aimed at Ontario where the level of premiums set may be sufficient to carry the plan's costs from October 1, 1969, through the entire fiscal year 1970-71 without using the federal contributions at all, when one takes into account provincial funds previously being spent for insured services and which were still presumably available for this purpose. However, if the premium level were to remain unchanged, within several further years the accumulated surplus would be gradually used up. While one might disagree, as I do, with Ontario setting the initial level of its premiums as high as it did, it would seem clear that the people of Ontario are at least ensured that there will be no need to increase the premium level for some years.

I recall that when this step was taken in 1968 the share of the federal government amounted to over $170 million a year. I thought it rather unusual that at the same time the province of Ontario raised the premium level from

what was only $10 a year to $20 a year. It was a great revelation to those of us in Ontario, in view of this tremendous amount of money coming in from the federal government, that the premiums were raised. I think everyone living in the province at the time expected premiums to drop by one half, because supposedly the federal government was paying one half of the cost. As I say, instead of that the premiums were increased.

The hon. member for Regina-Lake Centre indicated in his remarks a few moments ago that there was a surplus, I believe, of $30.9 million in the fiscal year 1970-71 and that in this fiscal year under the OHSIP program there will be a surplus of $7.6 million. I would join with hon. members in commending the hon. member for his motion; there are many aspects of it with which I agree.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker I have no hesitation in commending the hon. member for Regina-Lake Centre (Mr. Benjamin) for introducing this motion. From experience I have gained in one section of this great nation of Canada, I can state there should be no deterrent fees of this sort and that everything should be done to help those in need, regardless of the cost.

I understand there may be some constitutional problems and I hope that at the next federal-provincial conference, soon to be held, the minister will use his influence to overcome some of the existing anomalies under the Medical Care Act and the Hospital Insurance and Diagnostic Services Act in order that we have a universal plan that will provide care for all those in need.

I have some figures regarding the cost of health services which it might be worth while quoting. The cost under the health services program is $7 million, under the health insurance and resources program over $1 billion, under the medical services program $49 million, and the cost of the Medical Research Council is $36 million. I understand that deterrent fees are used in the United Kingdom to prevent over-use and abuse of the program there.

I hope that a motion will be put forward soon seeking to reintroduce under the health resources program legislation to provide funds to establish medical centres, hospitals and other services, and to induce doctors to visit our more remote and isolated communities. People living there are not worried about referral and deterrent fees, because they cannot even afford to travel vast distances in order to see a doctor. This is a ridiculous state of affairs.

Let me give the House an example of what I mean. Three days ago when visiting a community in my area I met a fisherman who over the years had built his own home with his savings. His wife had suffered a heart attack and was paralysed. He went to the welfare department to get some help in order to employ a girl or somebody to look after his wife while he was out fishing, and his application for assistance was refused. As a result, he had to build himself a shack right on the beach, bring his paralysed wife to the shack and leave her in bed while he went fishing for an hour or two. He would then have to return ashore after a couple of hours' fishing to see how his wife was. And this sort of situation exists in a great, affluent country like Canada!

Let me give another example. I know of a child who had to wait for one year for spectacles. When he finally received them, they were no good to him because his eyesight had deteriorated even further in the interim. I also know of the case of a lady who had no legs, heart trouble and high blood pressure and was confined to bed; but because she had been cared for by her family, her social assistance payments were reduced. I suggest that situations like these should be given attention and that we must steer our efforts in this direction.

Since it is obvious that all members who have spoken are in favour of the motion, and since the hon. member for Regina-Lake Centre has mentioned that the minister is in agreement with his motion, I fail to see why we should speak any further on the matter. I just want to put in my two cents' worth by saying the government of Canada must realize that we need medical care centres and more doctors and services for the needy who cannot provide for themselves, such as the blind, the incapacitated and the undernourished. More attention must be paid to such people. Without keeping the House any longer, I commend the hon. member for his motion and hope the government will agree to amend the act in order to make provision for the kind of care described by the hon. member.

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker, you have heard my colleagues speak at length on this motion and review for you the Hospital Insurance and Diagnostic Services Act and the Medical Care Act. I wish to speak on the constitutional aspects of this motion.

As you are aware, Mr. Speaker, the British North America Act has generally been interpreted as providing that the responsibility for decision and execution in the field of personal health care rests essentially with the provinces. This does not mean, however, that the federal government is not concerned with the health of Canadian citizens. Indeed, this concern of the federal government is expressed in concrete terms through the hospital insurance and medical care programs. It is through federal financial assistance that the hospital and medical care provided by these two acts is available throughout Canada. Many provinces, particularly those that fall below the national average economically—such as, I would say, Manitoba—would simply be unable to meet their health care responsibilities to their residents without federal participation.

• (5:50 p.m.)

There are three important aspects of health care which are of special concern to the federal government. First, the federal government is concerned that there be equal opportunity for all Canadians to have access to necessary health care services. There are several ways of achieving this result. For example, unconditional federal equalization payments could be made to the provinces, leaving them with the responsibility of determining the minimum

level of service they would provide for their residents. However, this method of providing assistance to the provinces would leave the door open for equalization payments to be used for any function of provincial governments.

The second method of equalizing health care services would be for the federal government to operate a health insurance plan limited to collecting taxes and making payments in respect of insured services. However, provincial governments have jurisdiction over the most important elements of the provision of hospital and medical services such as the operation of hospitals, provision of health personnel, organization of services, quality of care, and so forth. It can readily be seen that a federal insurance plan which had no control over matters such as I have just mentioned would be largely ineffectual in meeting the basic goals of ensuring that insured persons received high quality care at reasonable cost.

A third method of equalizing health care services for Canadians is that taken by the federal government in respect of hospital and medical care insurance programs, namely, through the medium of providing federal financial assistance under certain conditions to the provinces to help them operate their own programs. You can see that this method not only recognizes the constitutional realities but also the varying abilities of the provinces to finance necessary health services. This alternative, at the same time, effectively ensures that the provinces establish and maintain relatively uniform health insurance plans across the country. In my opinion this is the most practical approach to the problem of health care in the Canadian context.

In a country as large as Canada with highly mobile population, health and medical care must be available for Canadians should they move from province to province. To achieve portability of benefits, hospital and medical care plans must be integrated as far as possible so that the individual citizen, should he move, would retain coverage until he could obtain comparable protection in his new province of residence. Only through federal participation in hospital and medicare programs is portability made possible.

There is one further aspect of federal involvement in the health of Canadians which bears mentioning. In essence, this relates to the fact that research and technology related to the provision of health care transcend provincial boundaries. The advances being made by medical science must be available to all levels of government, and much of the responsibility for ensuring that high standards of health care are available for all Canadians falls on the shoulders of the federal government which carries out or sponsors research in the health field. Moreover, the federal government assists the provinces financially in their efforts to achieve this very desirable goal.

In respect of the patient making any direct financial contribution to the doctor on the grounds that there should be no financial impediment to anyone seeking medical advice, there has been some objection. This case would be stronger if the doctors were bound to accept the amounts paid by the plan as payment in full. This is not the case. For example, the Ontario medical association believes 40 per cent of doctors charge their patients directly an amount equal to 10 per cent of the Ontario Medical Services Insurance Plan payment even though no so-called deterrent fees are in force. The public naturally prefers not to pay anything in the way of an extra bill, a deterrent fee or a deductible. These methods are therefore somewhat politically unacceptable, except perhaps for specified limitations.

I have not made any reference to the task force, which I thought I might have time to do this afternoon. I will refrain from doing so. In conclusion, it is my opinion that the motion before the House—presented, I am sure, with the best intentions—is, when the facts are understood, unduly restrictive and constraining to the provinces. Indeed, it is sad that the valuable time of the House should be spent debating this matter, because I feel that had the hon. member looked into his proposal more closely he would have realized the intent of his motion is covered by existing legislation.

If the hon. member is of the opinion that needed hospital or medical service is being denied Canadian citizens through the imposition of utilization fees, he should be prepared to bring these cases to the attention of the federal or provincial authorities, whichever the case may be.

An hon. Member: We can't go to Victoria.

Mr. Guay (St. Boniface): If you cannot go to Victoria, I suggest to the hon. member that Mr. Schreyer is making this information available not only to his own members but to members of the opposition. Perhaps the member could consult him. As I have stated, the federal government does not believe utilization fees associated with medical care programs achieve their objective. We believe that experience with these fees will cause the provinces imposing them to arrive at the same conclusion.

The public airing of this matter will, I am sure, achieve the effect desired by the hon. member. I would remind the House that the method used to raise the provincial share of the cost of hospital and medical care is a decision for each provincial government to make. We in the federal government make clear to all Canadians the amount the federal government contributes under each cost-sharing program with which it is concerned. It is the responsibility of each province to explain to its citizens and justify the taxes or premiums required to cover the provincial share of these programs.

Mr. Deputy Speaker: Order, please. The hour appointed for the consideration of private members' business has now expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

POST OFFICE ACT

AMENDMENTS RESPECTING STAMP AGENTS' COMMISSION, LETTER MAIL PREPARATION ARRANGEMENTS, EXTRAORDINARY SERVICES, MEMBERS' MAIL, ETC.

The House resumed consideration of the motion of Mr. Côté (Minister without Portfolio) that Bill C-240, to amend the Post Office Act, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Rod Thomson (Battleford-Kindersley): Mr. Speaker, at five o'clock while discussing Bill C-240, to amend the Post Office Act, I suggested that no arm of the government or no department of government could be expected to do a good job when the minister was being shifted around from this department to that and when ministers were steadily coming and going from the Post Office. I do not think it is fair to the Post Office to be downgraded in this fashion or to expect any minister to do the job required in this department when there is so much shifting around. I suggest to the minister and to the government that if they are to do the necessary job in reorganizing the Post Office Department or in just running it properly, this practice should not continue and there should be some consistency to allow the minister to develop the expertise required in running the department.

The main thrust of what is proposed is a further major increase in the first-class ordinary letter rate. Three years ago local first-class letters were handled for four cents, while onward letters were handled for five cents. These rates were increased to a flat six cents. This was a 50 per cent raise in local first-class rates and a 20 per cent raise in onward rates. This was accompanied by a major reduction in service to the five-day system.

It is now proposed to again increase this rate of a flat seven cents and, further, to increase it once more to eight cents by the start of next year. This will represent a 100 per cent increase in the local mail delivery rate of ordinary letters and a 60 per cent increase in the onward letter rate in four years.

No increase in rate at this time is proposed for second-class mail.

• (8:10 p.m.)

I was interested to hear the minister say that a study on this subject is under way. I do not want to be critical and say whether these people should pay more or less at present, in view of the fact that the minister thought it worth while to make a study. Obviously he is doing something in this regard and I would be willing to leave this matter until the study is completed.

With the exception of this comment, we have indicated in this House or have had indicated to us time and again that *Time* and *Reader's Digest* get by very easily here and that we might pick up $1 million or $2 million if we were to put them on a special rate. I would recommend to the minister that he take a hard look at this matter. Over the past 10 years this category of second-class mail has caused a loss to the Post Office Department of $200 million and it is forecast to lose another $30 million this year. Of the second-class mail, the loss of only $2.3 million was attributable to carrying rural weekly newspapers the circulation of which is under 10,000.

Over the years the Post Office has done quite well with first-class mail. In 1969-70 the loss on that mail was only $360,000 out of a total business of approximately half a billion dollars. In the main this mail is paying for itself. One might argue that it should continue to do so, but if this is the case why does the minister not consider that other categories of mail should not do the same? The projected loss for 1970-71 has soared to $35 million. This immense increase is due to business interruptions because of labour disputes, and salary increases beyond the 1970-71 estimates. An estimated loss of $35 million equals approximately three cents per week per Canadian.

A deficit of $33 million is forecast by the Post Office Department on third-class mail, some of it junk mail, in 1970-71. No increase in rates for this class of mail is proposed. The minister indicates that I may be mistaken. I will be happy to listen to him again. I listened fairly carefully the first time he spoke, but if I find I am in error I will be happy to apologize. When we are talking about second-class mail, at least there is a study of what should or should not be done with regard to it, but I did not hear a case put forward by the minister as to why there should not be an increase in third-class mail rates. The next time the minister speaks I should like to hear him make a case on why third-class mail should not pay its way. I would recommend that he explain to us why it should not.

I oppose a further increase in first-class mail rates. The great bulk of first-class mail is in the form of bills from or cheques to telephone, hydro, oil companies and other businesses. It is consumer mail. If the first-class mail rate is increased again, these concerns will undoubtedly pass that increase in their costs on to their customers. Hence, ordinary letter writers using first-class mail will be paying more for their stamps and will be charged more through bills for utilities and other services for which they are billed through the mail.

A further substantial raise in postal rates affecting consumers should be opposed as inflationary. The present loss on first-class mail is but three cents a week per capita. It can be argued that the basic Post Office service to Canadians using first-class mail, and to some extent second-class mail, is part of our communications media and cannot entirely be priced on a specific dollar and cent basis.

In my opinion there is a good case to be made for assistance to non-profit, health and cultural societies the

success of whose efforts depends much upon their ability to communicate by mail. There is a case to be made for their receiving, if they qualify, a certain amount of federal financial aid earmarked to pay for the margin between what the non-profit societies can pay and what the Post Office should have in revenue so as to avoid being unfairly charged with carrying mail at a loss. I commend this thought to the minister and to the government. We have the examples of the Canada Council, the National Film Board and the CBC by which to judge whether, without loss to the Post Office, non-profit public or semi-public services can be assisted.

I think we must take a new, hard look at second and third-class mail. As I have indicated, I am willing to leave second-class mail rates as they are in view of the study being made. No increase has been proposed for these classifications at present. They are both, to a certain extent, services carrying profit-oriented, business or promotional mail and both these services lose the Post Office a great deal of money.

I think it is interesting to look at third-class mail and to realize that business can be profitable if mass mailing and handling can be organized. It is a fact of life of the printing business that the major cost is in the first or smaller number of pieces. If a greater volume is involved and it is handled efficiently, the unit cost of third-class mail is reduced and the revenue is increased. In my view, much of the third-class mail is not wanted by the mass of Canadians. It is mail which the business houses want to get in the letter boxes. It is mail that may be desirable for the Post Office to encourage because, properly processed and handled, it can make money for the Post Office or at least reduce the cost.

However, we find that the anticipated loss on third-class mail in 1971-72 will be no less than $38 million. Why should that be? This is, or could be, to a large degree profit-oriented mail. Why should the third-class rate not be increased to the point where it will at least more nearly pay for carriage of this mail? We should press for renegotiation of the international postal agreement which has involved losses for Canada in carrying U.S. mail, much of it printed. The international agreement does not take into consideration that Canada and the United States exchange, free of charge, mail handling services while one country has a population ten times that of the other.

I also urge an examination through a commission or special inquiry of the various subsidies and charges borne by the postal service in order to bring out the facts of costing and to provide a clear picture showing who pays for what. The purpose of this would be to rectify the outmoded system still in vogue whereby the Post Office provides free services to some departments while other departments provide the Post Office with very valuable services such as free accommodation in buildings.

If the minister is not satisfied with what I have said relating to some of these items, I would be happy to have him tell us that the Post Office does operate under a proper cost accounting system: I should like him to prove to the House that this is the way in which the Post Office is run. Myself and many other Canadians, I am sure, are not absolutely certain that this is the way it is done. If we are in error, we would be happy to hear from the minister.

We want to know the findings of the body which studied the value of turning the Post Office into a Crown corporation rather than continuing it as a department of the government headed by a minister. This question has been much debated. If the government decides to turn the department into a Crown corporation, we want advance information on such studies before deciding whether or not we agree.

• (8:20 p.m.)

We urge modernization of equipment, procedures and administration beyond what has been achieved so far. In this regard the Post Office is in the same position as the telephone companies were a few years ago before they made their operations as automatic as possible. It is possible to end the physical distribution of old age pension and family allowance cheques, totalling scores of millions of letters a month, by using an electronic mail service, with the value of the cheques being deposited in the banks by electronic impulse. While pressing for efficiency we must seek to preserve and extend the gains made by postal workers since they attained collective bargaining. Phase-outs of jobs in certain postal categories must not be made at the expense of the employees. For instance, while the new sortating procedure is estimated to improve efficiency and reduce per unit handling costs by means of greater speed, it should not result in lay-offs of employees over the next several years.

What I am saying is that, hopefully, any modernization of equipment within the Post Office will be achieved on a basis that will cause the least possible damage to the employees involved. When we consider that there may be 50,000 people working for the Post Office, we can see that this department affects a great many people. We oppose the increase in first class mail rates and for this reason we will support the amendment of the official opposition.

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I welcome the opportunity Bill C-240 presents to discuss not only the amendments to the Post Office Act but also matters in regard to the general operations of the Post Office. I am very happy to see the Minister of Public Works (Mr. Laing) in the chamber tonight, because for two years he and I have been trying to arrange a mutual visit to the beautiful little village of Elora where two years ago he was kind enough to stop the building of a new post office. In that connection I hope the Postmaster General will talk to his officials and ask them to take another look at the building and at the accommodation required, because we had a local architect look at it, a man who has designed many good buildings in Toronto, who felt that with some modifications and changes it could be retained in accordance with the wishes of the people.

Elora is a beautiful little village situated on the banks of the Grand River. A great many of the homes are built of stone. Some of the churches are built of stone. It is in the centre of the area through which the Elora road went up from Guelph. In those days it was, shall we say, a watering place. It has that background of stability which you find only in the smaller villages of Ontario. If the Minister of Public Works cannot make the trip that he has promised to make to the village, I sincerely hope the Postmaster General will have his officials meet with the officials of Public Works and agree on modifications to make this building more useful to the people who work there.

I am not one who always looks for change. I see some of the new post offices that have been built in communities, replacing old ones cast aside a few year ago—beautiful, red brick post offices which were subsequently bought by the local communities and used as municipal buildings. Those old offices could still be functional as post offices. In light of that experience, I think the officials of both departments should take a second look before deciding to demolish old post offices and erect new ones. Mr. Speaker, you and I know that many of the older buildings will still be standing when some of the new buildings being put up today will have outlived their usefulness. The present post office in Elora could be modernized without destroying its architecture.

Now I wish to say a word about this bill and in support of the amendment moved by my colleague objecting to postal rate increases. This is the second time within a very few years that we have been faced with a postal increase; and it is the same old story, that the administration needs more money for labour and renovations. In his remarks the Minister without Portfolio (Mr. Côté) indicated that within the past year they have been able to reduce the postal deficit. I believe that implementing some of the programs he has initiated and introducing more efficient means of handling and distributing mail will result in the deficit being brought down a great deal more.

When I first became a member of this House, Mr. Speaker, the Post Office used to have a surplus. That was quite a few years ago. I remember criticism being made of the then Postmaster General because the postal service was so poor. People today are still complaining about the postal service. In light of a question I asked the Minister of Industry, Trade and Commerce (Mr. Pepin) last week with respect to the census, we can only wonder about the efficiency of the postal service. As recorded at page 6075 of *Hansard,* I asked the minister:

> In connection with the census which begins on June 1 can he explain to the House and to the people of Canada why all Canadians will not be allowed to send their returns directly to the department as will be done in cities?

In reply the Minister of Industry, Trade and Commerce said:

> Mr. Speaker, I have a note from DBS which says that either the mail-back or pick-up system by census representatives assures confidentiality, but the pick-up system is employed in localities where, for instance, the mail service is insufficient—

My riding is made up of small rural and urban communities. I think I get as good postal service as do people in the cities of Ottawa and Toronto and I can see no reason why the people of my area should be treated differently, with respect to the census, from people in Ottawa and Toronto. As was indicated by my colleague from Wellington (Mr. Hales) today, the census-taker may be your next door neighbour. He is supposed to discuss your census problems with you. In such a case there is not complete confidentiality. I plead with the Postmaster General to plead with his colleague the Minister of Industry, Trade and Commerce, to have an advertisement appear in all newspapers across Canada telling people in small communities that if they want to put their returns into envelopes and send them by mail to the DBS, they are free to do so. That could still be done even though tomorrow is census day.

• (8:30 p.m.)

I see no reason why people in small communities should be treated differently from city dwellers. They should be allowed to return the census form to the Dominion Bureau of Statistics by mail. There is a lot of criticism across the country on this matter, so I hope the Postmaster General will get in touch with the Minister of Industry, Trade and Commerce and work something out.

Referring to the amendment proposed by my colleague, it is interesting to note that the Postmaster General has indicated that 80 per cent of postal revenue is derived from business and industry. The last time postal rates were increased I remarked that it would have an inflationary effect, and now the government is doing it again. We all know that in the end the consumer pays. Although the rate for first-class mail may only be increased by two or three cents, business takes that increase into account in its profit and so we have another inflationary trend.

I wonder if the Postmaster General discussed this bill with the Minister of Consumer and Corporate Affairs (Mr. Basford) before it was brought in. Does it mean that we will have another round of inflation and another round of deliberate unemployment to stop it? The increase in the third-class mail rate applies mostly to throwaway mail and catalogues of the type issued by large department stores. It is a vicious circle; the catalogues are used to promote business, but in the end it is the customer who pays for the increased cost of doing business and this, of course, includes the postage on the catalogues. I object to the proposed increase in postal rates because we have had enough inflation and enough of the unemployment that was created in an effort to curb it. I do not think that the people will stand for this again.

A previous speaker mentioned the low morale of Post Office employees. Maybe the Postmaster General has improved the morale a little, but he has a long way to go. As morale improves, efficiency will improve. He should work toward this end. This government has brought in many phasing-out programs, starting with the small post offices. In many villages the store with the post office was

the hub of the community. In many cases the closing of the post office has meant that business has ceased to be profitable and merchants have had to sell out and move to the cities to try and find other employment.

The government also talks about phasing out the textile industry, and it is phasing out the farmer. Pretty soon they will be dictating how everybody in Canada may earn a living. These programs are neither fair nor just—people are being injured and ways of life are being destroyed by them. We sincerely hope that before this bill is passed the Postmaster General and the government will reconsider it. It might even be withdrawn or held back. As I have pointed out, there should be some means of controlling the deficit other than by increasing postal rates.

Another point that bothers me is that residents of small communities must pay rent for a post office box. There is door to door delivery in some rural areas and in the larger towns, but in small communities it costs $5 or $10 to have the mail put in the box. Even then it is sometimes impossible to get into the post office after hours for one's mail. I am also a little disturbed by the delegation of authority. Clause 1, subsection (3) reads:

Section 5 of the said act is further amended by adding thereto the following subsections—

There is provision for delegation of powers to assistant deputy postmasters general, regional general managers and directors of the Post Office Department. When the minister speaks in this debate I should like him to explain why these powers are delegated to non-elected officials of the Post Office Department. "Governor in Council" appears in a lot of other legislation, so I should like to know what powers are being delegated to these officials throughout the country.

In closing, Mr. Speaker, I should like to say again that I do not think these postal rate increases are necessary, because they will be inflationary and we have had enough of that.

The Acting Speaker (Mr. Laniel): The hon. member for Regina-Lake Centre (Mr. Benjamin).

Mr. Knowles (Winnipeg North Centre): For Kootenay West (Mr. Harding).

Mr. Randolph Harding (Kootenay West): Mr. Speaker, members who come from British Columbia are not anxious to move further east; we prefer to remain in our own province.

I should like to speak briefly on this bill and to endorse the amendment moved by the official opposition to give the legislation a six months' hoist. I believe a number of valid reasons for this have been given by various speakers and it is not my intention to repeat them this evening. Just two years ago we had a very lengthy debate on Post Office problems. That was when rates of all description were increased rather sharply. A great deal of damage was done to a number of publications in Canada. As yet, hon. members of this House have not been given a full or extensive report of what actually happened in that connection. This should be given to us prior to our again increasing sharply postal rates on first-class mail.

• (8:40 p.m.)

Although several points have been stressed by other speakers I will refer to one or two of them again. I might say that the Public Accounts Committee discussed matters along these lines. I raised these points with officials of the department. They said they were looking into one or two matters which I will again bring to the minister's attention. I hope that the points raised will be taken care of in legislation. One of these points may sound like a small matter for people living in cities but it means a great deal for people who come from rural areas. In a city, so long as there are 2,000 postal drops there is free mail delivery. The postman comes to your home and delivers the mail through a slot in the door; it is delivered to you in your house.

In smaller communities with less than 2,000 postal drops—I happen to live in one and would not move to a city just to get the additional mail carrier service—people are charged rent for a post office box. There the postman puts the mail in the box and you must go down, collect the mail from the box and take it home.

I have raised this point before and I raise it again. This is rank discrimination against Canadians who live in rural areas. There is no escaping this fact. People of our smaller communities must take the time and incur the cost, quite frequently, involved in driving several miles or they must walk a considerable distance to the post office. Once there they are given the privilege of renting a post office box unless, of course, they desire general delivery.

I suggest to the minister that the rental charged for post office boxes be done away with. The least the minister can do is give residents of these small areas the right to obtain their mail free of charge from a post office box. In the cities, as I say, the postman comes to your door and drops the mail right at your home. Surely the least we can do is provide a box for the rural homeowner so that he may go and pick up his mail whenever it suits him. The rural dweller incurs the additional cost of having to go the the post office under his own steam, by car or by any other means he may choose. The cost varies with the distance he must travel.

I have received a number of letters on the subject and I am sure that the minister and the department have also received letters. I received a letter the other day from an individual in Fruitvale which is in my riding of Kootenay West. The writer points out that he must pay $15 a year for a certain class of post office box. If he lived in a larger centre the mail would be delivered to his home free of charge. I do not think anyone can demonstrate to me the logic in loading an additional charge upon those who live in rural areas. I have protested against this charge before and I do it again now.

Some hon. Members: Hear, hear!

Mr. Harding: If any group of residents in Canada deserve to be subsidized with regard to mail service or

any other service, it is our citizens who live in rural areas and who quite often are without many of the amenities of life. These amenities are concentrated in the big cities. It seems that the services of almost any department of government are more expensive in rural areas. Rural dwellers are stuck with these additional costs. In this instance we are talking about the Post Office. I again suggest to the minister that this is one of the topics which ought to be put on the agenda for discussion. He ought to talk it over with the staff of the Post Office. People in rural areas ought to be shown this consideration. I have no hesitation in making this suggestion although I know that if it is implemented the department will lose revenue. That is beside the point, however.

A good argument for subsidizing—if you want to call it that—rural post office boxes stems from the fact that two years ago when we were dealing with Post Office costs we found that *Reader's Digest,* an American magazine, was subsidized for delivery in Canada to the extent of $800,000, and that *Time* magazine was subsidized to the extent of $721,000. I do not think that situation has changed. These two magazines are being subsidized to the extent of $1,521,000. The money comes out of the pockets of taxpayers, including those who live in the rural areas. I say it would be far better to use the $1,521,000 to help those in rural areas obtain better mail service than to subsidize these two magazines.

Mr. Woolliams: Yes, but they are Liberal supporters.

Mr. Harding: Yes. At least, they have been on occasion. They have supported this government. But that is beside the point.

Let us look at the rates that will come into effect under this new piece of legislation. We find that first-class rates will be primarily affected. They will be affected seriously. The effect on individuals will be serious. The increase will constitute a truly inflationary cost with respect to the mailing of letters. On July 1, 1971, just over one month from now, first-class mail rates will increase to 7 cents a letter. Six months later, just after Christmas, this Liberal government will tell the Canadian people that, for a New Year's gift, they will be charged 8 cents for every first-class letter mailed. I say that this rate is excessively high.

Let us examine the first-class mail rates which the minister is trying to initiate with this new legislation. The 8-cent rate which will be implemented at the end of the year will cover only those letters weighing one ounce or less. For letters weighing more than 1 ounce—and many letters weigh slightly more, tipping the scale at 1¼ ounces—the mailing rate is to be 14 cents per letter. As you go up the scale you find that the rates increase fantastically. Perhaps I should put them on the record because some hon. members may not have examined them.

I will take the rates which will apply on January 1, 1972. These are to be the rates: 8 cents for any letter weighing 1 ounce or less; 14 cents for a letter weighing more than 1 ounce but not more than 2 ounces; 20 cents for a letter weighing more than 2 ounces but not more than 4 ounces; 32 cents for a letter weighing more than 4 ounces but not more than 8 ounces; 44 cents for a letter weighing more than 8 ounces but not more than 12 ounces, and 54 cents for a letter weighing more than 12 ounces but less than 16 ounces.

• (8:50 p.m.)

If this is not an inflationary method of increasing costs to the Canadian public, I don't know what is. I suggest to the minister that he look very closely into this question of postal rates. He should find out how these rates have affected the small weeklies and periodicals which used to circulate in abundance two or three years ago. Hundreds of them from one end of Canada to the other have been forced out of business because they could not afford the excessive increase in mailing costs. Some may say the Post Office must pay its way. But many of these little publications were part of the Canadian way of life. Many of them had their own peculiar outlook, if I might put it that way, and brought a different perspective to events which took place in various sections of Canadian activity. I believe we have lost culturally and in other ways through these papers being forced out of circulation.

We should think in terms of providing subsidies. Hon. members may ask why papers of this kind should be subsidized. But if we are to get into a discussion on subsidies, one might well ask: Why subsidize anything? A story which appeared in the Toronto *Daily Star* a couple of weeks ago indicated we were subsidizing the mining industry to the tune of more than $300 million. In the northern regions of Canada most of the mining firms receiving these subsidies are foreign-owned and controlled; they ship Canadian products out of the country after we have plowed a subsidy into the operation.

I say that a type of subsidy which gives something to the people of Canada is far better than giving something to a foreign corporation which exports raw resources from the country for fabrication elsewhere. The point might be debatable and the minister might wish to debate it, but I am using it by way of illustration. If he is looking to save dollars he should not be trying to whittle a little more from the average Canadian citizen who will be forced to pay excessive postal rates in many instances. The minister should be looking elsewhere for his savings.

I may be wrong, but I understand there is to be a postal convention in July at which rates are to be reviewed. I hope this is so. I made a note to the effect three or four weeks ago when we were discussing the Post Office estimates in the Public Accounts Committee. If there is to be a postal convention I suggest it is a good reason for holding over this legislation. There are a number of points which the minister should raise at the convention. If they are raised and if changes are made, he might be able to tell us that certain modifications can be made in connection with this legislation.

Here are a few facts I gleaned during one of the committee's meetings. In 1969-70 the Post Office lost $27.9 million. Of this, $3.9 million represented the loss on the mailing of daily papers. Another $2.3 million was lost on mailing weekly papers. Some of these papers, as hon.

members know, can be mailed free of charge within a 40-mile radius of their place of publication. In connection with the mailing of magazines and periodicals, there was a deficit of $13.6 million of which the delivery of foreign publications mailed in Canada accounted for a loss of $2.7 million. A loss of $5.4 million was incurred in dealing with incoming United States mail.

One of the oddities of the postal structure is that although the delivery of foreign publications mailed in this country costs $2.7 million, it would have cost $5 million if it had been mailed in the United States. This does not make sense. In the circumstances, it is a good thing for Canadian taxpayers that these publications were mailed in Canada or the Post Office would have lost double the amount it did. It seems to me the whole mailing cost structure needs revision. These things should not happen. It is for this reason I say the legislation should be held over until the convention has been held and we know exactly what rates will be charged for handling mail by other nations and ourselves.

The provision of Post Office facilities is not dealt with in the bill before us but it will certainly be affected by the new regulations which are laid down. We have been promised that certain new postal facilities for Castlegar will be ready by March of next year. I believe the department should press forward with this work as quickly as possible. A new postal walk system will be started in the area, the point having been reached at which there are more than 2,000 postal drops. Let the department complete this new facility and get the new postal walk system started. I believe a number of small communities just outside the area of Castlegar, Kinnaird and Robson should also be included in this service. This would do a good deal to improve the mail service in the area, and the people there certainly need it.

While I am dealing with local matters I wish to draw to the minister's attention the fact that delivery of second and third-class mail is extremely lax in my constituency. Daily papers are sent to me and I am lucky if I get them ten days after they have been posted in Nelson. It is not unusual for me to get them two weeks or 16 days later. This is not good enough. We were told at the time rates were last revised that the mail service would improve. It has not improved; it has deteriorated. I was receiving second and third-class mail much faster than I do now. There must be some kind of tie-up somewhere that the department should investigate.

• (9:00 p.m.)

We have complained about this sort of thing, but service does not seem to improve. There is a hold-up somewhere along the line after second-class mail gets to the post office. Whether it is because the mail is slow leaving the post office of origin, or the transit of the mail is slow, I do not know; but it should not take from ten days to two weeks to send a weekly or daily paper from Nelson to Ottawa. A donkey could walk across Canada faster than that. There is no reason in this day and age to put up with a mail delivery service of this nature.

In closing, I urge the minister to hold over this legislation at least until the fall. By then we will have had a better chance of looking into many of the points that have been raised and, I hope, will be able to make some meaningful amendments to the legislation.

[Mr. Harding.]

Mr. Cliff Downey (Battle River): Mr. Speaker, I think previous speakers have outlined many of the problems of the present day postal service but I have a few impressions that I should like to put on the record this evening. Several clauses of the bill are laudable, particularly the one that provides for the free delivery of mail to the blind. This is a very good step to have included within the postal regulations. Further, some economies may be possible as a result of the provisions of proposed new paragraphs (u) and (v) of sub-section 1 of section 5 of the act under which postal customers who prepare their mail in a manner that creates less work for postal employees will pay reduced rates. One cannot argue with the merits of these two provisions of the bill.

There are, however, very few members of this House who would agree with the increase in postal rates at this time. Some time ago I read a comparison of the cost of mailing letters and making telephone calls. Although the comparison was of the situation in the U.S.A., I think a parallel can be drawn in Canada. When telephones were first introduced into the United States you could mail something over 13,000 letters for the cost of one telephone call across the continent. Although I forget the exact figures, today you can only mail several hundred letters for the cost of one telephone call, giving a ratio of something like 20 to one. I suppose we have seen some improvements made in the field of transportation since that time, but it does make one wonder where one is going in view of the way costs between these two methods of communication have increased inversely.

Government has become involved in many ways both in the private and the public sector and a great many people disagree with this. If one were to conduct a survey across the country on whether to put departments of government on a pay-as-you-go basis, there would probably be more support for subsidizing the Post Office and postal services than any other aspect of the economy that is subject to government interference, or perhaps I should say government intervention.

There are many areas in which we are conscious of maintaining Canadian content and culture and of keeping Canadians aware that they are Canadians. As the previous speaker pointed out, some periodicals in Canada have been very useful in promoting culture, both locally and nationally. Many of these periodicals have had to go out of business, having become part of our daily life. Some of them, as it were, were institutions in themselves. By making postal rates prohibitive and causing these publications to be discontinued, we are that much poorer. We pour money into the CBC in an effort to portray the Canadian scene. Perhaps we would do better to withdraw funds from such organizations and use them to subsidize postal rates.

Comparisons have been drawn between rural and urban postal services and some of the glaring inequities have been referred to. Many communities have had to suffer a cessation of postal services. True, the population

of these communities was not great but in several cases in my own constituency the alternative means of mail delivery, while not nearly as effective in the community, often cost more than the original postal service. In many instances post offices were housed in old buildings, and while they may have been substandard they did provide a living to members of the community and gave better service than alternative mail services.

I do not think there is one member of this House who has not received letters from his constituents about the cost of post office boxes compared with general delivery costs. This has been another glaring anomaly. People pay for these boxes at additional cost, yet they do not have the service received by those on rural delivery or obtain better service than those on general delivery. The present rate structure pertaining to post office boxes can only discourage people from renting them, thus putting a greater load on the general delivery service.

Obviously, pride of workmanship in the Post Office is disappearing. There used to be a slogan that the mail must go through, though this has not been evident in recent years. I remember that five or six years ago it took about two days, and sometimes less, to get a letter from my own riding to Ottawa. Today it takes a week. Sometimes it takes only four or five days, but often two weeks. One can sense a loss of pride of workmanship in postal services in the last few years.

• (9:10 p.m.)

We all used to subscribe to a daily newspaper in my home town. I still have such a subscription. That paper was delivered by the postal service to my box one day after publication. This I can understand. There must be certain economies in the postal service and in a small rural community it may not be possible or practical to have same-day delivery. The situation today is that the paper comes in by bus, it is picked up by a delivery boy the same evening and at a cost of $5 per year less than the cost of mail delivery it is delivered the same day. I am not exaggerating the situation. If this situation exists in my community it must exist in a great many others across the country.

The rates envisaged in this bill will phase out the use of the Post Office Department. It is time we looked at this system with a view to overhauling it. There has been a gradual deterioration of mail services. There is only a fraction of the number of letters written in Canada today as were written years ago. This is a deplorable situation. If we intend to subsidize other means of transportation to promote culture and communication in Canada, the postal service should be at the top of the priority list.

The minister must be aware of a brief submitted by War Amputations of Canada. There is nothing in this bill which will have an effect on third-class mail, but many organizations such as the one to which I have referred are doing their best to be self-sufficient in carrying out an effective role in Canada. They have had difficulty because of increased postal rates. If we do not look after these organizations in some way in relation to lower postal rates, the government will be faced ultimately with an additional expense to offset their costs. Surely a lower rate is the best way to take care of this situation.

I shall not take any more time to deal with postal rates. Other members have made their points very capably. Surely, as a result of the briefs presented to the minister he is well aware of the situation. The time for talking has passed. The minister should approach the postal service situation with a view to working out a viable service in Canada of which we can all be proud.

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to make a few comments before this bill to amend the Post Office Act is referred to the committee for further study. I know the minister does not officially occupy the position of Postmaster General until his ascension under the government reorganization bill, but I should like to congratulate him as the Postmaster General. I know he is very sincere in his efforts to do a good job in this position. He is faced with great responsibility in getting the Post Office service back on the rails. Had he been Postmaster General for some time perhaps this department would not find itself in the position it is today.

This bill contains several worthy amendments. Clause 3, on page 2, suggests that the Postmaster General may delegate all or any of the powers he holds. This will add greatly to the operations of the Post Office. I have in mind one incident discussed by members of the Public Accounts Committee not long ago. One postmaster in Canada accepted bulk mail at the wrong rate; it was later found that a higher rate should have been charged. The ensuing dispute ended up in the Department of Justice which ruled that the local postmaster did not have the authority to set the postage rate which should be charged on this particular type of mail. As I understand this bill, that situation will be covered.

Hon. members of this House appreciate the clause in the bill which allows Members of Parliament free postage on four bulk mail deliveries per session. There is also a clause which provides that those operating sub post offices on behalf of the department will receive 5 per cent of their sales rather than 2 per cent. I am sure the people affected will be grateful to the minister for this change. Blind people will appreciate the changes made in the bill in respect of their mail in Canada.

The rest of the bill is comprised of increases in rates with a few other consequential changes. I am at a loss to understand why the Postmaster General has brought in increased rates for two different dates, July 1, of this year and January 1, of 1972. Perhaps he thought the changes would be easier to swallow if they were made in two separate doses. I am sure the people of Canada would much prefer to have one increase.

There is nothing in this bill which will increase the efficiency of the operations of the Post Office. This seems to be where the trouble lies. Let us consider how long it takes for a letter mailed in Ottawa to be delivered in Montreal. Two weeks ago a letter was posted on Friday night instructing the recipient to phone when the letter

was received. The return phone call was not made to Ottawa until Wednesday, because it took from Friday morning to Wednesday morning for the person to receive the letter containing the phone call instructions. Over such a short distance as from Ottawa to Montreal a person could have taken the message a lot faster on a bicycle. I cannot see anything in these amendments which will clear up such a situation.

• (9:20 p.m.)

Also, I do not see anything in the amendments to correct the situation in respect of householder mail delivery. I had a recent experience in this regard. I have bulk mail deliveries for which I pay on a per pound basis. As an example, this mail left Ottawa on May 20 and was not delivered until May 28. Another batch of mail was mailed from here, received at the local post office on Tuesday and carried by the rural mail carrier in his car from Tuesday to Saturday morning without being delivered. This type of thing must be corrected in the Post Office operation.

The Canadian office of the Shorthorn Breeders Association is located in my area. This association publishes a monthly magazine. It is taken to the post office a few days after the first of the month. The delivery of this magazine is taking as long as three weeks. The delivery service in respect of this magazine is so poor that the advertisers have threatened to withdraw their advertising unless better mail service is provided. I do not see anything in these amendments to take care of next-day delivery. I know there has been an attempt in major centres to have various boxes labelled so that if you post mail in those boxes before a certain time, next-day delivery will be guaranteed. I hope this situation will be taken care of by the regulations the department will be instituting. Previously we had next-day delivery practically anywhere in Canada, but it is now a very rare occasion on which there is next-day delivery no matter where one lives. There is nothing in these amendments to take care of such a situation.

There is a situation which was brought to the attention of the Public Accounts Committee. This is a reflection on the personnel involved, those on whom the minister depends for administration. In 1964 the Post Office Department published Christmas stamps. This was the first time it had been done. The bottom of the stamp contained the inscription "1964". The number of stamps that would be sold was overestimated to the extent that when Christmas 1964 was over, $16,000 worth of printed stamps were on hand. Nobody wanted to use 1964 stamps on their 1965 Christmas cards; therefore the department decided the only thing to do was to scrap the whole lot. The Post Office Department scrapped $16,000 worth of printed stamps because of an error on the part of those responsible for the purchase of stamps.

That surely should have been lesson enough for the Post Office Department. But no. In 1970 they again overestimated the purchase of Christmas stamps. If they had merely printed a Christmas stamp without the year on it, it could have been carried over to the next year. But, no; they did it again. In 1970 they had about $8,000 worth of Christmas stamps left. You can go into almost any post office, ask for a 1970 Christmas stamp and obtain it. I received an Easter card saying "Happy Easter" and the envelope bore a Christmas stamp. These stamps are still being sold. This sort of thing is going on in the Post Office and it is the responsibility of the people working in that department. Unless the Postmaster General, through his deputy, sees that the people who have responsibility execute that responsibility the Post Office and its service will never improve and become efficient.

We have only to think of the sale of trucks during the strike of the Lapalme drivers in Montreal. The Post Office Department decided it should get into the business of delivering mail and therefore purchased the trucks from, I believe, Rod Service. They took an inventory of so many trucks. However, the people in the Post Office Department, in adding up the number made a mistake involving $16,000. If we are to have this type of operation by personnel in the Post Office Department we will never have an efficient service; the people of Canada will never have the service to which they are entitled.

I do not see anything in the bill to improve our stamps. I believe Canada has the worst postage stamps of any country in the world. They have no lustre, no colour, brightness or attractiveness. All one need do is receive a stamp from a country such as Jamaica and Antigua to know that our stamps are not as attractive. The Postmaster General shakes his head; he does not believe this statement. If he were to write a letter to the stamp collectors' organizations across this country and ask their honest opinion concerning Canadian stamps, I believe what I have said would be borne out to be fact.

There is no mention in these amendments of a very important point. I do not know how the minister will reconcile charging the people of Canada an increased postage rate when he is not giving them good service. I am not holding this Postmaster General responsible; he was not the Postmaster General when the situation arose. What happened in respect of the last increase is that the people of Canada were charged a higher postage rate and received less service. This is what is likely to happen again.

I believe the minister would have been smarter had he given the people real service and efficiency so that he would have just reason for asking for increased rates. The Postmaster General has no right to increase postage rate until he gives the people of Canada better service and more efficiency in the operation. The only way in which I believe he will be able to do this is to return to the six-day delivery service. Canada is the only country in the world which has tried a five-day delivery service. It has been tried long enough for us to know it will not provide service to the people of Canada.

The example I spoke of concerning a letter taking from Friday to Wednesday, over a holiday weekend, to go from here to Montreal was partly a result of the five-day delivery system. There was no delivery on Saturday and

no delivery on Monday because it was a holiday weekend. When this happens the mail piles up, cannot be handled on Tuesday and does not go out until Wednesday. Until we return to a six-day delivery system we will have this situation. I do not see how in these circumstances the people of Canada can ever be given the service this increase in price demands.

The counter service in the post office was withdrawn for many months. If you went to a post office on Saturday you found a couple of men who handed out parcels or general delivery mail, but if you wanted to buy a money order or stamps they would say, "I am sorry, but we are closed today". This is quite asinine. It might be compared to going to a department store and approaching a jewellery counter which is closed, or going to the men's department and finding it closed although the whole store is open. If you are going to run a post office, for goodness sake run a post office; don't run a half show and have the counter half open or half closed. I am glad to note that since this minister took over he has restored the counter service on Saturday mornings. I think that the next step should be to open it all day on Saturdays as it used to be, so that the people of Canada can have the service which they deserve.

• (9:30 p.m.)

The minister has a public relations job on his hands. It seems that he must get a well organized team which will work together, pull together and adopt the theory that the mail must go through. He must not try to think up excuses why it did not go through. Unless he obtains that co-operation within his organization, he will not succeed.

I must congratulate his predecessor on going out into the business field and hiring men from industry. He picked up some top-notch men who were outstanding in the business community and he transplanted them into the Post Office Department. They are now in positions of authority in the Department and I am looking for great results from this type of reorganizaton in the Post Office. I am sure that under this minister's direction we will get it. I think this minister will treat men as human beings and not as machines, as was the case before. Having made some of these changes, I have every hope that the minister will get the Post Office back on the rails so that the people of Canada will be able to say that we have as good a postal service if not better than anywhere in the world.

Now I would like to say a few words about rural post offices, some of which are in a deplorable condition. This is not really the fault of rural postmasters. The problem is that they have not been paid well enough to keep a decent place, to paint it and to make of it a respectable post office. After all, these places represent Her Majesty's mail service and they should be show places. They should be tidy, neat and a credit to Canada. I should like to say that in my community our post office is one of the show places on the main street. It is always clean and there is always a flag flying from its rooftop. It is a well operated post office. I hope we will find similar ones all across Canada.

May I say in conclusion that there are many problems facing this minister and I know he will do his best to correct them. I am sure he knows that if he does not increase the efficiency of the delivery service to which the Canadian people are entitled, he will have no right to increase the rates as outlined in the amendments to the Post Office Act.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, it is like old times to be discussing the Post Office Department, but I can hardly tell you how much I miss the hon. member for Duvernay (Mr. Kierans) in these discussions. However, I have a feeling that perhaps the Post Office will remember him even longer than I will, because he who was so excellent in many other activities and has such a great contribution to make to the understanding of the economic problems of this country could not have been more unfortunately miscast than by being placed in charge of the Post Office Department. I never quite knew whether the Prime Minister (Mr. Trudeau) did this deliberately.

However, I am hopeful for better things from the present minister but not as hopeful as I was a few months ago, because I think he has not shown too much energy in throwing off the regrettable habits, attitudes and postures of his predecessor, these things which brought about such a decay in the service and such a multiplication in the deficits. Neither of these situations is something which a conscientious Canadian parliamentarian or postal patron would welcome.

I seem to remember that in another Parliament this same minister had a little trouble in getting through an extra soaking of the Canadian public for postal rates. Perhaps history will repeat itself.

I am sorry that this minister, for whom I personally have great affection, should be presenting a major piece of legislation the chief ingredient of which is yet another increase in the cost of postage to the people of Canada. As my colleagues have said, if this by any stretch of a partial imagination could be correlated with improved service, there might be some justification for looking upon the proposed increase with dispassion. But this is not the case. No one would talk with much enthusiasm or conviction about an improved postal service. The problem is the result of a series of costly fiascos in the administration of the Post Office Department, fiascos which have diminished the respect of the Canadian people for this important department of government and curtailed the use by the people of Canada of the Post Office Department, thereby diminishing the revenues which should flow from the public use of the department.

It is well known—and I quite agree with my colleague who has just resumed his seat—that the most egregious error under the previous Postmaster General was the cessation of service on Saturdays. He was warned that in a country of such vast distances as Canada this could not possibly be anything but a stupid and retrograde step. The events have proven the wisdom of this sad prognosis. Much of the problem of the delayed mail delivery comes from the fact that there is a blackout between Friday

and Monday and that a good deal of the mail which is brought in on Friday does not move until Tuesday.

Another result is that patrons of the Post Office Department in the parcel post field are using alternative means, and daily we hear on radio the advertisements of the bus PX service. It is apparently cheaper and more efficient to use other means of transporting parcels than Her Majesty's mail. So as costly fiasco follows costly fiasco, as there is a diminution of the usage of the postal department by the people of Canada, the natural result is that those who still use it—and there are many millions who must—will have to pay more. So up goes the price of stamps yet again.

• (9:40 p.m.)

The white paper—it is a mistake to say "the" white paper—one of the plethora of white papers has forecast stamps that would cost 26 cents. We are moving toward that, Mr. Speaker, with a very unpleasant and unwelcome speed. Time was when we had five-cent stamps and six-day delivery. Then the shift was to five-day delivery and a six-cent stamp. But that is not good enough. We have to raise the ante; we have to increase the cost of stamps. No one can point out that this is in any way likely to be connected with increased service because alas, Mr. Speaker, we find that under the present jurisdiction the same old problems of employee unrest seem to plague the Canadian postal service.

Only today we hear of very serious protests from union spokesmen in the Post Office here in Ottawa; charges of far too numerous employment of casuals and charges of something even more serious, that there is a degree of nepotism involved. All of this, of course, is very disturbing to the morale of the Post Office and it seems to be a repetition of the old, old story that things are not going well in this department which was established at the time of confederation, one of the old established departments of government which, if experience should mean anything, would be expected to be a very efficient one.

I agree with those who point to this particular bill and find it inadequate in dealing with the important issues. A few months ago we were told that the glittering prospect of the establishment of a Crown corporation was not far away and that this was the answer. How many hundreds of thousands of dollars were spent on how many costly, elaborate and lengthy studies into the efficacy and efficiency of a Crown corporation? Now it seems that the idea, like the studies from which it was produced, is gathering dust and no one mentions the Crown corporation any more.

It seems that the only innovation we can get out of those in charge of the Post Office is something new like a new price of a stamp, and it is always a higher one. This is the thing that is most disturbing to all of us. I fear that it will turn the people of Canada still more against this department. We would like some assurance from the minister that things will be done. I think if he would stand up and say that the five-day week was a mistake and that he will see it is corrected, that would do something in itself to get across to the people of Canada that there would be some improvements. I wait and hope that he will take this opportunity.

I hope that we will get a little more efficiency and a little less tendency to reach for a bigger stamp cost. I hope we will have no more regrettable performances such as that which we are reminded of every day when we see the Lapalme workers parading around the Parliament grounds. History says, perhaps somewhat mythically, that a certain queen of France lost her head for telling the people of that country to eat cake. What the Prime Minister (Mr. Trudeau) advised these poor workers to eat is far less appetising than that, and this is hardly the view of an enlightened employer toward people who have grave difficulties in working for the people of Canada.

So I look upon this legislation with feelings of regret. I wish that this minister could have produced something more than yet another appeal to the people of Canada to pay more for their postage stamps. There are so few governmental services which are given to the people of Canada at low cost that it is too bad the art, the capacity of communicating one with another should be taxed ever more heavily. Therefore I do not welcome this piece of legislation, nor do I commend the minister for his actions in bringing it forward.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I believe there is a disposition to reach the point tonight at which a vote on the amendment could be ordered. My remarks will not interfere with our reaching that point. However, I should like to add to the comments that have already been made by my colleagues, the hon. member for Battleford-Kindersley (Mr. Thomson) and the hon. member for Kootenay West (Mr. Harding), by saying very clearly that we shall support the amendment for a six months' hoist and that when the vote on the second reading of the bill comes, if it does come, we shall vote against the bill itself.

As has been pointed out several times today, it is only a few years ago that people could mail first-class letters in the city for four cents and anywhere in Canada for five cents. By next July, if this bill goes through, that four cents will be doubled to eight cents and the five cents rate will become eight cents. That is an increase that I think deserves the word "unconscionable" when one considers what even a few cents mean to many of our people, particularly those whose pensions were increased last December by only 42 cents a month.

This is not a justifiable increase, and we shall oppose it. However, Sir, there are a couple of other things I would like to say. The hon. member for Hillsborough (Mr. Macquarrie) referred feelingly to the remarks that were given some publicity today, remarks made by representatives of the Canadian Union of Postal Workers. As I recall it, the representatives of that union said—and they said it on the background of the experience they have had—that it is not their business to improve the image of the Post Office; that it is their job to get the

best possible deal for their members who work for the Post Office.

One cannot quarrel with that position taken by the unions, but I think it ought to be a challenge to the soon-to-be Postmaster General. He belongs to a government which has mouthed the phrase "participatory democracy." I suggest that those words from the union are a challenge to him to establish the kind of relationship with the workers in the Post Office so that they will feel not only that they must secure better wages and working conditions for themselves but that they will want to help improve the image of the department as a whole. You cannot expect them to do that unless they are presented with an opportunity or a challenge. I suggest that the ball is in the court of the soon-to-be Postmaster General.

• (9:50 p.m.)

Mr. Benjamin: He will strike out.

Mr. Knowles (Winnipeg North Centre): I should like to comment briefly on the changes proposed by this bill with respect to mailing services which presently are free. I notice that a number of changes are being made. There is one particular complaint which I have received many times in recent weeks. A number of correspondents have asked why they must pay postage when mailing their income tax form but not on the census form. The official answer is that the taxation data centre in Ottawa to which income tax returns are sent has been designated as a field office, not the head office of the Post Office Department, and therefore a postage stamp is required. Apparently, because the census return involves statistics it is possible to send it to field offices all over the country without postage.

It looks as though there is another explanation behind this, Mr. Speaker. Citizens know that if they do not file an income tax return they will be in trouble, and so the government charges what the traffic will bear. There is not the same element of compulsion with regard to the census return. I know there is a penalty for non-return, but people do not seem to fear it and in order to induce them to send the return to Toronto, Winnipeg, Calgary or any other centre there is no charge for mailing.

The reasoning behind such decisions is not commendable. If census returns can be mailed postage free, I suggest that the same should apply to income tax returns. Although we are speaking of only a few cents it is another form of regressive taxation. For the wealthier people, the millionaires, another 6 or 8 cents for postage on an income tax return does not mean anything, but to the old age pensioner on the guaranteed income supplement the fact of having to pay postage on a tax return is adding insult to injury. The bill makes it possible to have some reconsideration of the question of what can or cannot be free. I hope common sense will prevail when the bill gets to the standing committee—that is, provided it gets there.

The essential feature of the bill is to increase the postage on the first ounce of first-class mail to seven cents on July 1, and to eight cents on January 1 next. This party is against this being done, so we shall vote for the six months' hoist, and if we get to second reading of the bill we shall vote against it.

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

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment to the main motion. All those in favour will please—

Mr. Olson: Mr. Speaker, I think there is agreement that this vote be deferred.

Mr. Speaker: Order, please. Perhaps there will be no vote. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it. I believe, as has been mentioned by the Minister of Agriculture (Mr. Olson) there is agreement that the division on the amendment will be postponed until tomorrow. Is this agreed?

Some hon. Members: Agreed.

Mr. Baldwin: Mr. Speaker, I wonder if I might call it ten o'clock, as it is so close to being that time.

Mr. Olson: I wonder if I might prevail upon Your Honour and the hon. member for Peace River (Mr. Baldwin) to deal very rapidly with item No. 79 on the Order Paper. I think there is agreement to deal with this. It is the Canada-Finland tax agreement. If there is disposition perhaps we could deal with it in the next two minutes.

Some hon. Members: Agreed.

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CANADA-FINLAND SUPPLEMENTARY INCOME TAX CONVENTION ACT, 1971

MEASURE TO APPROVE SUPPLEMENTARY CONVENTION

Hon. H. A. Olson (for the Minister of Finance) moved that Bill S-18, to implement a supplementary income tax convention between Canada and Finland, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

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

Some hon. Members: Carried.

Mr. Olson: Mr. Speaker, I think there was agreement that we should refer the bill, rather than to the standing

committee to committee of the whole. Could that matter be dealt with as well?

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Motion agreed to, bill read the second time and the House went into committee thereon, Mr. Honey in the chair.

Clauses 1 to 3 inclusive agreed to.

Schedule agreed to.

Title agreed to.

Mr. Knowles (Winnipeg North Centre): Before the bill carries, Mr. Speaker, may I ask the Parliamentary Secretary to the Minister of Finance what he is going to do with the speech he had prepared?

Mr. Mahoney: If anyone shouts "Explain" very loudly, I shall read it.

Mr. Knowles (Winnipeg North Centre): Carried!

Bill reported.

• (10:00 p.m.)

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

Mr. Knowles (Winnipeg North Centre): By leave, now.

Mr. Deputy Speaker: Is that agreed?

Some hon. Members: Agreed.

Hon. H. A. Olson (for the Minister of Finance) moved that the bill be read the third time and do pass.

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

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—EAST PAKISTAN CONFLICT—DISCUSSIONS WITH INDIAN AND PAKISTANI REPRESENTATIVES—PROVISION OF RELIEF SUPPLIES

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on May 4 I asked the Secretary of State for External Affairs (Mr. Sharp) about Canada's role in providing relief supplies for the victims of the cruel war in East Pakistan. Regrettably, Sir, the question still has painful relevance today. News items from the India-East Pakistan border tell of terrible suffering on the part of vast numbers of people. A despatch from New Delhi today declares that over four million East Pakistanis have fled from East Pakistan since martial law was imposed. The Indian Labour and Rehabilitation Minister, R. K. Khadilkar, is quoted as saying "What the eventual figure will be is anybody's guess. It may be five or even eight million." Reports of cholera epidemic add tragedy to an already deplorable story of mass human suffering. Crowded living conditions have fostered other diseases.

The minister already quoted accused Pakistani troops of pursuing the refugees across the frontier into India. Alluding to the possibility of India taking defensive or preventive measures, he said, "Nobody wants war but if they start hot pursuit, as they are now doing, in such a situation can one keep absolutely mum and just protect?" Thus the prospects of international military action are very much and very dangerously present. So, along with a gripping story of fearful human suffering we have here a grave threat to world peace.

As I said in the House on Friday, I welcome the government announcement regarding the $2 million contribution to relief funds. Certainly the whole burden must not be borne by India. It is a matter of international concern and should also be one for international action. So far I have not noted any Commonwealth interest or initiative. I wonder what, if anything, Canada has been doing to have this matter discussed in a Commonwealth context.

The initiative of Secretary General U Thant is welcome. The visit of the three-member team from the office of the United Nations High Commissioner for Refugees was also a proper step. But the need for international inspection on both sides of the border is compellingly urgent. I think none of us here enjoy seeing Pakistan become the object of widespread and sharp criticism from the thoughtful and sensitive in the international community.

There is obviously a very serious situation in Pakistan, and while that country may well assert that the political aspects are not the subject of international scrutiny or concern, the humanitarian aspect is one which should prompt the government of Pakistan to welcome the good intentions and efforts of people from many parts of the world.

I hope that Canada will not rest its case with the $2 million contribution or desist from its efforts to broaden the base of aid and enlarge the scope of the assistance which so many people across the world desire to extend to the victims of this grim, human tragedy. I hope that we will continue our aid program through the approved channels. We should also use our good offices with Pakistan, a fellow Commonwealth state, to open the doors and remove all grounds for criticism that political considerations are standing in the way of maximizing aid to an unhappy people.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, since May 4, when the hon. member for Hillsborough (Mr. Macquarrie) asked for more elaboration on the situation in East Pakistan and particularly whether the authorities there would accept relief supplies, it can be said that some progress has been made toward providing relief assistance for the victims of the Pakistani conflict. As you are aware, it was announced on May 28 that the government is providing $2 million to help meet the immediate needs of the refugees crossing into neighbouring states of India from

East Pakistan. Included in the Canadian contribution will be foodstuffs, medicines, medical supplies and a cash donation. This is, of course, additional to the earlier contribution of $50,000 to the Canadian Red Cross, supplementing its gift of $10,000 to the Indian Red Cross for relief to refugees.

The Secretary of State for External Affairs (Mr. Sharp) had earlier indicated that the government of Pakistan was reluctant to accept relief assistance or to permit relief administrators into East Pakistan, considering that their own resources were adequate to meet immediate needs. This situation has now changed and the government of Pakistan has recently indicated that assistance from abroad would be welcome.

Our High Commissioner in Islamabad has been in contact with officials of the Pakistani government who have indicated that external assistance will be required in two categories: (1), humanitarian relief and (2), reconstruction and rehabilitation. The government of Pakistan has appealed to the United Nations and to the world food program for assistance in the first category. With regard to reconstruction and rehabilitation of East Pakistan, the Pakistan government has prepared a list of priority items which is now receiving scrutiny of the appropriate governmental authorities.

The Secretary General of the United Nations has appointed a co-ordinator of United Nations relief activity and it is expected that he will visit East Pakistan in the very near future. Canada has already indicated that any assistance which the Canadian government may give will be closely co-ordinated with that provided through the United Nations.

Assurances have been received from the government of Pakistan that any assistance given will be used only for rehabilitation and relief, and the co-ordination arrangements to which they have agreed would appear to be adequate to ensure proper distribution for the purposes intended.

AIRPORTS—TORONTO INTERNATIONAL—METHOD OF LETTING CONTRACTS FOR SKYCAP SERVICES

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, on May 18 I directed a question to the Minister of Transport (Mr. Jamieson) which hon. members will find reported in *Hansard* in the following terms:

> I have a question for the Minister of Transport. In view of the report that a United States firm has displaced a Canadian-owned company at the international airport at Toronto, involving the majority of airport skycaps, would the minister indicate the method by which such contracts are let?

Mr. Speaker indicated he doubted whether the question was in order and suggested it might be considered at the time of adjournment. I agree with him 100 per cent.

First, I should like to say we are extremely pleased to learn that in this corner of the House there is to be one more member, from the constituency of Brant. He was elected with a majority of about 5,000 and he will probably be in a position to speak forcefully for the people in that area when he enters the House very shortly.

With regard to the question I asked, it appears that Consolidated Fueling Services of New York took over the skycap contracts at the International airport in Toronto for all but two airlines. They are Air Canada and Canadian Pacific Airlines. At that time Consolidated Fueling Services agreed verbally that they would hire the people who had been laid off by Airline Services, who previously held the contract, thus enabling men who had spent years of service at the airport to retain employment.

However, this was not the result of the takeover which is really effective as a result of agreements between the airlines involved and the people employed as skycaps. It would seem that the situation involved in this so-called contract at Toronto airport is similar to that which arose in Montreal not long ago. The men concerned in that affair, the Lapalme drivers, are still marching in front of the House of Commons day in and day out. Someone else took over the contract to provide the services which they were providing and the displaced workers are still expressing their concern.

The same thing could happen in Toronto unless the Department of Transport undertakes to do something about the type of contract they let at so-called public expense airports. For the department to wash its hands of the whole affair is not in the Canadian interest. We are well aware that in Toronto, Consolidated Fuelling Services of New York, a strictly U.S.-owned firm, did not employ the people that they had undertaken to employ and as a result the airline services which did employ labour for Air Canada and CP Air had to lay off, according to my information, some eight people at the terminal.

• (10:10 p.m.)

I am asking whether or not the government, although the Parliamentary Secretary to the Minister of Transport (Mr. Duquet), would indicate to the House this evening why a United States firm has been allowed completely to take over services at the International Airport at Toronto that were not put out to tender; why it has allowed independent airlines operating into Canada to employ skycaps without tender; why it has allowed air services which would hire skycaps to employ people off the street rather than engage labour that was fully qualified; and why the Department of Transport claims it is interested in providing services to the people when there are two groups of skycaps at Toronto International Airport meeting cabs that arrive at the airport and asking the passenger whether they are travelling by Air Canada or CP Air, thus causing a nuisance to the travelling public.

The people of Canada are entitled to know whether or not the employment of skycap services in this country is going to be commensurate with the demand. They are entitled to know whether these services are sufficient to serve the travelling public. Although the people who were picked off the street may well have been Canadians, in my humble opinion this is another case of union-busting. Consolidated Fuelling Services of New York do not hire union labour or have certification with any labour union in Canada. To say the least, it is a disgrace that

while we have airline services in Canada today which hire labour from the Canadian Brotherhood of Railways, Transport and General Workers Union, the company to which I have referred, unhindered by the Department of Transport, is allowed to hire people off the street who are unqualified or inexperienced, which in turn results in the lay-off of long-term employees who themselves have to walk the street.

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the hon. member from Moose Jaw (Mr. Skoberg) raised this question on May 18. Since that date I have had an opportunity to make inquiries with officials in the Department of Transport who are familiar with the detailed operation of the International Airport at Toronto. I am informed that the skycap service is handled directly by the airlines and not by the department. The reason for this is that it is felt that the service is one that can be directly attributed to the passenger and that the airlines are in a better position to provide this service.

The hon. member is aware that up to a short time ago the skycap service for the majority of the airlines at Toronto was provided by Air Terminal Transport Limited. Recently the contract expired, and although Air Canada extended the contract the other airlines preferred to solicit bids from other companies in this type of business, including Air Terminal Transport. As a result of the bids a contract was awarded to Consolidated Aviation and Services, the Canadian subsidiary of Allied Aviation Services.

The hon. member has made a number of observations which I have noted. I will, of course, bring these to the attention of the departmental officials who are directly concerned with this subject, and if there are additional points which have not been mentioned this evening I would be pleased to receive them.

POST OFFICE—LAST DAILY PICK-UP OF MAIL IN CITIES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, once upon a time at this hour the House used to ring with welcome over the great exchanges between the hon. member for Hillsborough (Mr. Macquarrie) and the former Minister of Communications and Postmaster General, the hon. member for Duvernay (Mr. Kierans). So great was the excitement produced by these exchanges that the National Centre for the Performing Arts had to time its evening breaks and its performances in order that people could rush up here for 10 or 15 minutes to hear what went on. We all know what happened to the former Minister of Communications and Postmaster General.

In inviting our friend, the soon-to-become Postmaster General, here this evening I promised him I would not, and do not want to, perform in the role of the hon. member for Hillsborough. I should like to clear up one question in my mind. Broadly stated the question is, does the government serve the people or do the people exist to serve the government? More specifically, did the government or his department really have to change the timing of afternoon mail collection from some time after five o'clock to around three o'clock in our great Canadian cities?

The minister, his department and his staff in various parts of Canada have received correspondence in respect of this early mail collection. I should like to quote from two letters. The first is from a Mr. Paul D. Silver, president of Silver's Agencies Limited of Halifax. He states in part:

> For some unexplained, and in my opinion completely unfounded, reason business "boxes" are only cleared once daily (Monday to Friday) and that at 3 p.m. or two hours prior to the close of normal office business.
>
> Delivery to Montreal/Toronto, on 5 p.m. mailing, would therefore require 38 hours as against the previous 18 hours.
>
> Local deliveries, within the city, also come on a 38-hour delivery basis.
>
> Is it anticipated that, for a whim of Ottawa, every company should reorganize to mail before the 3 p.m. deadline or should we all direct our staff to the post office, after 5 p.m., causing traffic tie-ups, diverting people from their normal home routing and adding to their expenses?

The other quotation is from a letter written by Mr. Byron D. Anthony, director, labour-management bureau at the Dalhousie institute of public affairs, Dalhousie University. It was written to the postmaster in Halifax and in part states:

> To be more specific, mail posted in a city mail box at 5.20 p.m. Friday, May 14th addressed to 15 separate addresses, at noon today, Wednesday, May 19th had been delivered to only four recipients.

That gives an idea of the magnitude of this problem and the fact that people still have their normal office routines to follow. Having regard to the question I posed last week, the soon-to-become Postmaster General was really telling us that the mailing habits of Canadians should be changed. Perhaps the habits of the new Postmaster General and his department should be changed back to what used to be the case. I ask the Postmaster General to assess this new time in light of experience, and should the resistance of the public be greater than its acceptance to the new hours will a change be made back to former hours?

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I have already partially answered that question as it was asked by the hon. member the other day in the House. I can add to that answer that the frequency of clearances of street letter boxes varies at each assured mail centre, but generally boxes located in residential areas are cleared once daily in the morning and striped boxes located on main thoroughfares and in business areas are cleared at least twice daily, in the morning and in the early afternoon, Monday to Friday, and once in the morning on Saturdays, Sundays and holidays. Times shown on both types of boxes reflect final clearance deadlines for assured next delivery day service to designated centres.

• (10:20 p.m.)

A final early evening clearance is made from striped boxes only at most assured mail centres, Monday to Friday. This mail is processed in the normal way, and

although we are able to give a good portion of it following-day delivery in certain areas it is not guaranteed next delivery day service.

The need for a later pick-up of mail after assured mail collection deadlines will be determined on the individual merits of each area where the assured mail program is implemented. That is why we are still having difficulty with the program. As I say, we might have had better box clearance in some areas. All we were doing in many instances was merely accumulating a large volume of mail in the post offices during the night which meant that more employees had to work on the night shift without providing better service.

So we hope after a period of adjustment to have a more assured mail program. If the people of Canada will bear with us a little longer, I believe I can assure hon. members and the public that in a short time, a month or two, things will be stabilized to a large degree and the service will be very much better than it is at present.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, June 1, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

EXTERNAL AFFAIRS

TABLING OF COMMUNIQUÉS ISSUED BY NATO NUCLEAR PLANNING GROUP AND DEFENCE PLANNING COMMITTEE AT CONCLUSION OF CONFERENCES

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, pursuant to Standing Order 41(2) I should like to table copies in both official languages of the communiqués issued by the NATO Nuclear Planning Group at the conclusion of their conference, May 26, 1971, and the NATO Defence Planning Committee at the conclusion of their conference, May 28, 1971.

* * *

TRANSPORT

PRINCE EDWARD ISLAND-NEW BRUNSWICK FERRY RATE INCREASE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to present a motion on a matter of urgency and importance. It concerns the recent increase in rates on the Prince Edward Island-New Brunswick ferry service which constitutes a further deterrent against the type of interprovincial transportation service promised the people of Prince Edward Island and presents serious disadvantages to the tourist industry and other aspects of the Prince Edward Island and Atlantic economy.

I therefore move, seconded by the hon. member for Egmont (Mr. MacDonald):

That this House requests that the fare increase on the Prince Edward Island-New Brunswick ferry service be suspended and that the matter be referred forthwith to the Standing Committee on Transport and Communications.

Mr. Speaker: The hon. member has proposed a motion under the terms of Standing Order 43 which requires the unanimous consent of the House. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Ian Watson (Laprairie) moved that the third report of the Standing Committee on Indian Affairs and Northern Development, presented to the House on Friday, May 28, 1971, be concurred in.

Motion agreed to.

• (2:10 p.m.)

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

AGREEMENT ON SECURITY OF WEST BERLIN AS PREREQUISITE TO CONFERENCE ON BALANCED FORCE REDUCTIONS IN EUROPE—RIGHT OF SOVIET UNION TO PRESERVE COMMUNIST REGIMES BY FORCE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to direct a question to the Prime Minister with regard to the Soviet-Canadian declaration calling for a conference properly prepared. I should like to ask the Prime Minister whether a prior settlement regarding the security of West Berlin is still a prerequisite for such a conference in the view of the Canadian government, as it was the view of the NATO council last December when it issued a declaration to which Canada subscribed?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in my discussions with Prime Minister Kosygin I did make the point that we did not feel that the matter of European security could be advanced very readily if some solution had not been found for the question of Berlin. He, of course, expressed a contrary view to mine and we discussed the matter along those lines. There was no agreement. I indicated that the Canadian government was anxious to look for any means of promoting peace in Europe and arriving at mutual, balanced force reductions but that we did feel as a result of our NATO discussions that the Berlin question was paramount.

Mr. Stanfield: Mr. Speaker, I have a supplementary question. Is it the position of the Prime Minister that a settlement of the security question in West Berlin is a prerequisite to the holding of such a European conference, as was the position taken by NATO in December?

Mr. Trudeau: Well, Mr. Speaker, it is not a prerequisite in the sense that it would have to be settled first—not necessarily. It would be part of the general discussion. Our position was that there would not be much point in

a meeting on European security if we felt there would be no serious discussion on the question of Berlin, to which Prime Minister Kosygin answered that in a sense he agreed but that they had a plan for arriving at a solution of the Berlin question and wanted to discuss it with us.

Mr. Stanfield: Mr. Speaker, I have a further supplementary question. Is not the government of Canada unilaterally departing from the position taken by the NATO council jointly? I should like to ask the Prime Minister finally whether the Canadian government continues to support the position taken by the NATO Council last December when it insisted that a rejection of the so-called Brezhnev doctrine must be included in any meaningful renunciation of the use or threat of force, that for this to be meaningful Russia must reject the doctrine under which it claims the right to enter another country in order to save and preserve the communist regime.

Mr. Trudeau: That matter was not discussed, Mr. Speaker.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I should like to ask the Prime Minister a supplementary question. Is the Canadian influence so strong in Russia that we now refer to Kosygin as Prime Minister?

Mr. Speaker: Order, please.

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FEDERAL-PROVINCIAL CONFERENCE

EXTENSION OF FORTHCOMING MEETING TO DISCUSS ECONOMIC POLICIES—ADOPTION OF AGENDA

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. Is the government giving consideration to the request of Premier Davis of Ontario that the talks at Victoria be continued for a fourth day so that economic policies can be discussed, and can the Prime Minister say whether he discussed this matter last evening with Premier Bourassa?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, before leaving for the Soviet Union I wrote to the premiers of all the provinces putting to them what the agenda for the conference might be. I did put to them Prime Minister Davis' suggestion for additional time on the economic question. I have not as yet received replies from all provinces, and therefore I do not know what the final agenda will be.

Mr. Knowles (Winnipeg North Centre): Is it fair to take it that if the provinces want the fourth day the federal government is prepared to agree?

Mr. Trudeau: Yes, Mr. Speaker. I said in my letter to the provinces that of course we would be prepared to stay for a fourth day and discuss that or any other matter of a non-constitutional nature which it was desirable to put on the agenda.

[Mr. Trudeau.]

Hon. Marcel Lambert (Edmonton West): In that event, can the Prime Minister tell us why the Secretary of State for External Affairs was able last week to tell my colleague, the hon. member for Spadina, and I believe the hon. member for Sainte-Marie, that the agenda for the conference had been fixed, in light of the fact that yesterday there was a conference with Premier Bourassa to set the agenda and now we are told that there are further openings on the agenda?

Mr. Trudeau: No, Mr. Speaker, the meeting with Mr. Bourassa was not to set the agenda. As to the answer of the Secretary of State for External Affairs, I do not have his reply at hand but I do know that the traditional practice was followed of the federal government suggesting an agenda to the provinces and until the provinces agree to that agenda we do not make it public. In that sense the agenda is not final. Perhaps it may be final in our minds in the sense that we put it to the provinces, but we are always willing to make additions, subtractions or inversions of the order of the items according to the desires of the provinces. I repeat that we have not had answers from all the provinces yet.

POSITION OF PROVINCES ON FORMULA TO AMEND CONSTITUTION—POSSIBLE VETO FOR BRITISH COLUMBIA

Mr. Eldon M. Woolliams (Calgary North): I should like to ask the Prime Minister a question dealing with the agenda of the constitutional conference. In light of the fact that Members of Parliament represent all the Canadian people in the House of Commons and as the Prime Minister will be representing Canada federally at the conference, can he now tell us, as representatives of the Canadian people, whether any of the provincial premiers have at this date indicated that they will oppose the Turner veto formula to be laid before the conference which is about to meet?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I do not know what is meant by the Turner veto formula, but I have no indication from any province that they will make objections to the general amendment formula which was discussed last February.

Mr. Woolliams: In light of the population shift that will take place in British Columbia, thus placing them in a preferred position particularly in relation to the veto formula, and in view of the language of the Prime Minister, has the Prime Minister considered that some of the Prairie provinces now and in the future may be without any say with reference to constitutional questions if that formula were agreed to and accepted at the conference?

Mr. Trudeau: This has to do with the negotiations which went on between the Minister of Justice and several of the provinces. I have made my position quite clear, and I think it is that of the federal government. We made it after the February conference. I understand that the western provinces themselves are prepared to give a kind of veto to British Columbia, and that is where the matter rests so far as we are concerned.

Mr. Woolliams: I have one more supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Calgary North on a further supplementary question and then recognize the hon. member for Greenwood.

Mr. Woolliams: Do I take it from the Prime Minister that Premier Thatcher of Saskatchewan has agreed to the formula in question about which I have been asking and to which the Prime Minister referred today which will be discussed at the conference?

Mr. Trudeau: Well, it is hardly fair to ask me to be the spokesman for Premier Thatcher or for any other premier. I can only report on the state of the discussions as they took place. Surely the hon. member is not asking me seriously to tell the House what Premier Thatcher's position will be at the June conference. I do say, however, that in February we had a conference at the end of which a communiqué was issued in which all the provinces indicated, shall we say, very strong interest in the adoption of an amending formula along those lines. The word "veto" first appeared in the question of the hon. member and not in my language.

INCLUSION ON AGENDA OF TRANSFER TO PROVINCES OF JURISDICTION OVER SOCIAL AND INCOME SECURITY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I would like to ask the Prime Minister whether the subject of social security and income security being transferred to provincial jurisdiction, as suggested by the Quebec Minister of Social Affairs, is on the agenda or if any of the provinces have sought to put it on the agenda?

Right Hon. P. E. Trudeau (Prime Minister): To the second question, Mr. Speaker, the answer is yes. Some provinces have sought to put it on the agenda. I might say that we agree with that suggestion, but I cannot go much further without saying what the agenda will be because I do not know what it will be until all the provinces have agreed to it.

[*Translation*]

QUEBEC—TRANSFER OF JURISDICTION OVER SOCIAL SECURITY AS PREREQUISITE TO ACCEPTANCE OF FORMULA TO AMEND CONSTITUTION

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a supplementary question for the Prime Minister.

I should like to ask him whether the return to Quebec jurisdiction of social security is a prerequisite for Quebec's acceptance of the new Turner amending formula.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not authorized to inform the House of Quebec's prequisites; I believe the Quebec authorities are in a position to do so themselves.

Mr. Asselin: I have another supplementary, Mr. Speaker.

Can the Prime Minister tell us whether, during his meeting yesterday evening with the premier of Quebec, an agreement was arrived at with regard to the transfer of jurisdiction in the field of social security.

Mr. Trudeau: Mr. Speaker, those conversations were private and confidential, and I do not intend to reveal Mr. Bourassa's position. If the hon. member is interested in mine I will surely make it known to him, but as far as those of the other governments are concerned, I refer the hon. member to those governments.

Mr. Asselin: I wish to ask a last supplementary, Mr. Speaker.

May I have the Prime Minister's opinion on this question?

POSITION OF PROVINCES ON FORMULA TO AMEND CONSTITUTION

Mr. Roch La Salle (Joliette): I wish to ask a supplementary question, Mr. Speaker.

I would like to ask the Prime Minister whether some provinces have officially expressed their disagreement about this proposed amending formula, in short whether some provinces have informed him that they disagreed with him completely?

Right Hon. P. E. Trudeau (Prime Minister): Here again, Mr. Speaker, I am requested to speak on behalf of the provinces, which is not altogether my role. I must say that a press release was published after the February conference; this press release is public, and if the hon. member reads it he will know the position of the provinces.

Mr. La Salle: I wish to ask a supplementary question, Mr. Speaker.

I am not asking the Prime Minister to speak on behalf of the provinces, but rather to indicate whether he has received correspondence from the provinces stating that the latter rejected the amendment proposed at the last conference?

Mr. Trudeau: If my understanding is correct, Mr. Speaker, the hon. member is repeating the same question.

The Minister of Justice has met with the attorneys general of the provinces at intervals since the month of February. Many views have been expressed.

As regards the position of the provinces, once again I would ask the hon. member to inquire from the provinces.

[*English*]

OPPORTUNITY TO DISCUSS FEDERAL GOVERNMENT GRAIN POLICIES AT FORTHCOMING MEETING

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, may I ask the right hon. Prime Minister if he would consider, aside from the formal and regular agenda involving all the premiers, holding discussions with the premiers of the three Prairie provinces with a view to securing their views as to the adequacy and efficacy of

the government's grain policies, particularly the proposed stabilization plan?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have always agreed to discuss subjects which were acceptable to the provinces when we set up the agenda, but so far to my knowledge there has been no request to put this matter on the agenda. Therefore it becomes a hypothetical question, Mr. Speaker.

FORMULA TO AMEND CONSTITUTION—DIVISION OF POWERS—PRIORITY OF DISCUSSION AT FORTHCOMING MEETING

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, as a result of the candlelight conference last night can the Prime Minister tell us if there has been any change in priorities between discussion of the amending formula and/or the division of powers that might ensue at the conference in Victoria?

Right Hon. P. E. Trudeau (Prime Minister): I would like to answer fairly, Mr. Speaker, but I do not understand the question.

Mr. Nowlan: I will omit the part about candlelight and thus shed light on the question. As a result of the discussions last night was there any request—I appreciate that the Prime Minister cannot speak for the provinces but he does speak for Canada—or any action on changing the priorities at the conference in Victoria to give precedence to discussion of the division of powers over discussion of the amending formula?

Mr. Trudeau: Mr. Speaker, this is a matter of ordering or arranging the items on the agenda, and although there has been some speculation in the press that this is what we were going to talk about I must say quite candidly that Premier Bourassa and I did not discuss in any way the order of the items on the agenda. It does not seem all that important.

* * *

PUBLIC SERVICE

FIREMEN'S STRIKE, EDMONTON INTERNATIONAL AIRPORT —ACTION TO SETTLE DISPUTE

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, my question is directed to the President of the Treasury Board. Yesterday I asked a question of the Parliamentary Secretary to the Minister of Labour in connection with the withdrawal of services by members of the firemen's union at Edmonton International Airport and the threatened spread of that labour dispute. In view of the fact that negotiations have been taking place with this particular group since last October, is the President of the Treasury Board able to enlighten the House on what is actually being done to solve this problem or are we going to see a full-fledged strike?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I cannot predict what will happen but I can say that the actions of employees in the firefighting branch at 11 airports across Canada are contrary to the terms of the collective agreement. Discussions are now under way with the President of the Public Service Alliance with a view to getting the men back to work immediately. In the meantime, supervisory personnel are carrying out firefighting assignments so that no peril to the public will arise as a consequence of this interruption of work.

Mr. Lambert (Edmonton West): Is it the view of the minister that the action taken by the employees is any worse than the government's action in changing the conditions of employment during the currency of the contract, particularly so close to the time when they should be negotiating a new contract?

Mr. Drury: Mr. Speaker, the intended change is designed to improve substantially the reaction time of firefighting units in meeting an emergency. As the hon. member pointed out, it has been under discussion for some six months with a view to implementation. The steps envisaged have been explored by the contracting parties and the date of implementation on an experimental basis in Edmonton was just a few days ago. The delay in implementation has been occasioned by the extent of the consultations and discussions. These are continuing at the present time to see whether the work stoppage can be brought to an end on the basis of reason rather than enforcement of the law.

FIREMEN'S STRIKE, EDMONTON INTERNATIONAL AIRPORT —METHOD OF IMPLEMENTING WORK CHANGES

Mr. John L. Skoberg (Moose Jaw): I have a supplementary question, Mr. Speaker. Can the President of the Treasury Board tell the House whether the work changes were unilaterally implemented by management without regard to the so-called Freedman report?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, implementation by the employer in this case was strictly in accordance with the terms of the collective agreement following some six months of consultation with the members of the bargaining unit.

* * *

THE CENSUS

EXAMINATION OF COMPLETED FORMS BY PRIVATE CITIZENS—ACTION TO PROTECT SECRECY AND PRIVACY

Mr. A. D. Hales (Wellington): Mr. Speaker, I should like to direct my question to the Minister of Industry, Trade and Commerce. Yesterday I directed a question to the right hon. Prime Minister and he agreed to transmit it to the minister responsible for the census. I asked whether the minister would give consideration to a delay in the return of census forms and suspension of the provision for the imposition of penalties until such time as

the privacy of the individual and the secrecy of the returns could be protected. In other words, will those people who object to sending their census forms to a locally appointed census committee for checking and study be able to mail their forms directly to the Dominion Bureau of Statistics in Ottawa?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): This is a long question, Mr. Speaker, and the proper answer is even longer. If my hon. friend would like to look at the questions and answers I distributed last Friday he will find that question No. 7 covers his point. I might say that, if a person is not satisfied with the census representative who picks up the questionnaire, if it is someone who is a friend or a neighbour—

An hon. Member: It is just that they are all Liberals.

Mr. Pepin: —he can ask for a commissioner to come and pick it up. If he is not satisfied with the commissioner he can ask that the regional officer come and pick it up. However, confidentiality is assured in each case: the census takers are all under oath.

I notice that yesterday the hon. member mentioned that in 1961 things were done differently; indeed they were. In 1961 every census representative helped every single householder to write the answers to the questions, so in some ways the system of self-enumeration we have this year is much better from the point of view of confidentiality.

Some hon. Members: Oh, oh!

Mr. Hales: Mr. Speaker, I do not wish to get into the field of argument on this point, but I would ask the minister this question. If anyone objects to the present system, does he have the right and privilege of putting the census form in an envelope and sending it to the Dominion Bureau of Statistics in Ottawa?

Mr. Pepin: Mr. Speaker, it is believed that that would not be a good system because, if the questionnaire is found not to be completed fully, it would have to be sent back to the person and returned again. Each questionnaire has to be checked locally. I repeat that if the person is not satisfied he can ask for the commissioner to come and pick it up. If he is not satisfied with the commissioner, he can ask for the regional officer of DBS to come and pick it up. That, I think, should assure satisfaction to everybody.

Mr. Hales: Mr. Speaker, may I ask a last supplementary question. Are we to assume that the minister is in agreement with the policy of having local citizens check and tabulate the returns of other citizens of that area?

Mr. Pepin: Mr. Speaker, this is the way it is done in every part of the world. If we were to hire an additional 42,000 people on a permanent basis for DBS, hon. members on the other side of the House would complain violently.

An hon. Member: There are not that many Liberals left.

Inquiries of the Ministry

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—PROVISION OF ADDITIONAL FUNDS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I should like to direct a question to the President of the Treasury Board.

Considering that projects put forward by students under the Opportunities for Youth program have not yet been accepted because it seems that all available funds have been allotted, could the President of the Treasury Board tell us if the Secretary of State has put in to him a request for additional funds?

Mr. Speaker: I do not think that the question can be put like that. The hon. member is asking the President of the Treasury Board if he has received a request from another minister. In these words, it seems to me that the question is not acceptable, but if the minister can find a way to reply to it briefly, the Chair sees no objection to it.

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, I can say that the Secretary of State is presently considering this matter, that considerable amounts are allotted to this program and that, until now, there have not been any actual discussions by the government.

Mr. Lambert (Bellechasse): I should like to put a supplementary question, Mr. Speaker.

I realize that considerable amounts have been allotted to this program, but it seems that a great number of requests are still pending. My question is as follows: Is the government, through its President of the Treasury Board, prepared to consider a request that supplementary estimates be used so as to subsidize these numerous projects?

Mr. Speaker: It seems that the question of the hon. member is taking the form of a suggestion to the minister concerned, and he has to assume that it will be taken under consideration.

* * *

[*English*]

INDUSTRY

GOLD MINING—REQUEST FOR REPORT ON MEETING OF MINISTER AND COMPANY OFFICIALS

Mr. Arnold Peters (Timiskaming): Mr. Speaker, may I direct a question to the Minister of Energy, Mines and Resources. Since earlier this year we extended the Emergency Gold Mining Assistance Act for a period of two and a half years, with the idea of discussing with a number of the interested parties the success of that operation, has the minister anything to report on his recent meeting with the mining industry inasmuch as the Upper Canada mine has found it necessary to close?

Inquiries of the Ministry

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, the recent meeting with mining company officials was called for the purpose of exploring whether or not methods could be found to extend not only the life of the mines but of the communities by further exploration and geological studies in the areas of the gold mines. We hope to take the matter further by bringing in community leaders, trade union leaders, etc. to discuss social as well as economic plans for the communities later in the year. As yet I have nothing to report as to any definitive solutions pursuant to our agreement to extend the act for 2½ years and to try to draw up total economic plans for the communities.

Mr. Peters: May I ask the minister if his department is participating in a study that is now being contemplated by the Ontario government, involving those mining areas where there has been a great potential and probably still is, in the form of research into the availability of other mineral resources in the area?

Mr. Greene: Mr. Speaker, I am not certain whether we are participating specifically with the province of Ontario in their program, but certainly the very purpose of the recent meeting that my officials had with the various companies was to try to determine a plan for finding other mining resources in the area of the gold mining communities.

* * *

EXTERNAL AFFAIRS

EUROPEAN SECURITY CONFERENCE SUGGESTED IN SOVIET-CANADIAN COMMUNIQUÉ—AGREEMENT BY PRIME MINISTER WITHOUT DISCUSSION OF BREZHNEV DOCTRINE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to return to the Prime Minister in connection with the joint Soviet-Canadian declaration regarding a European security conference. May I ask the Prime Minister whether, in view of the declaration of the principle of non-aggression in the Canadian-Soviet declaration, which differed significantly from the NATO declaration in that it made no reference to the so-called Brezhnev doctrine, I am to understand that he agreed to this declaration without any discussion with the Soviet government as to whether it was precluding itself from invoking the so-called Brezhnev doctrine when it made a declaration assuring the territorial integrity and inviolability of frontiers? Did the Prime Minister agree to such a declaration differing from the NATO declaration without inquiring as to what it meant?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. It seems to me the Leader of the Opposition has asked a question and perhaps the Prime Minister might be recognized at this time for the purpose of replying to the question.

Right Hon. P. E. Trudeau (Prime Minister): I have not neard the question, Mr. Speaker. The Leader of the Opposition was just going to ask it.

[Mr. Peters.]

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Stanfield: Mr. Speaker, I think the Prime Minister heard the question.

Some hon. Members: Hear, hear!

Mr. Stanfield: I asked the Prime Minister, Mr. Speaker, whether he associated himself with this joint declaration of principle, differing from the NATO declaration, without inquiring whether the declaration he was associating himself with prohibited the use of the Brezhnev doctrine which justified the invasion of Czechoslovakia? Did the Prime Minister associate himself with that declaration without inquiring whether or not the Soviet Union was rejecting in future—

Some hon. Members: Oh, oh!

An hon. Member: Ask the question.

Mr. Speaker: May we have order, please.

Mr. Stanfield: Mr. Speaker, it is all very well for those people opposite to joke about something they do not understand.

Some hon. Members: Hear, hear!

Some hon. Members: Shame!

Mr. Speaker: Order, please. I must seek the co-operation of the Leader of the Opposition. I believe that the Leader of the Opposition has asked a question and he may wish to ask a supplementary, but I would be inclined to recognize the Prime Minister now and then allow the Leader of the Opposition to ask a supplementary.

Mr. Greene: What did you say, Bob?

Mr. Stanfield: Mr. Speaker, what I am saying is that the Prime Minister is refusing to answer my question.

Some hon. Members: Hear, hear!

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. I think it would be simpler if the Chair were to recognize the Prime Minister for the purpose of answering the question and then recognize the Leader of the Opposition for the purpose of asking a supplementary.

Mr. Trudeau: Mr. Speaker, the protocol I signed speaks for itself. There is no reference in there to the Brezhnev doctrine. I did not feel it would be a very sensible venture on my part to go into this matter. We signed a protocol for continued agreement. We signed a protocol which both sides hope will lead to a de-escalation of the arms race in Europe. I did not go into all the past doctrines and practices of the Soviet government and they did not ask Canada to justify its past ventures or, for that matter, for us to talk about the American role in

Suez or in Guatemala. We did not discuss these subjects. We sought agreement and not disagreement.

Mr. Stanfield: Mr. Speaker, my question related not to the protocol but to the declaration calling for a European conference. With regard to the future, did the Prime Minister associate himself with a declaration which significantly disagrees with the NATO declaration, the NATO declaration being deliberately designed to call for rejection by the Soviet Union of the so-called Brezhnev doctrine? With regard to the future, has the Prime Minister associated himself with the position of the Soviet Union which differs significantly in this respect from the position taken by NATO?

Mr. Trudeau: Mr. Speaker, I do not want to indulge in semantics, but when I talked about the protocol I thought that was what the Leader of the Opposition was talking about. He is now talking about a declaration. I suspect he means the communiqué.

Mr. Stanfield: Yes.

Mr. Trudeau: There was a joint communiqué in which we included those subjects that we could agree should be included. Our position on Berlin was not put in there, nor was their position on Berlin because we do not agree on our respective positions with regard to Berlin. What we did agree on, we put in the communiqué. Among other things, we said we would meet again at regular intervals in order to try to iron out these differences which had been the subject of disagreement.

Mr. Stanfield: One further supplementary. May I ask why the Prime Minister of Canada associated himself with a declaration of rights and duties in this communiqué which significantly differs from that which had been agreed upon by Canada as a member of NATO?

Mr. Trudeau: Mr. Speaker, I disagree with the premise on which the question is based. We did not put everything in the communiqué which Canada believes. We did not put everything in the communiqué for which NATO stands. This was not the objective of the communiqué. It was not that the Russians should be asked to agree with what we stand for in Canada. It was that Canada and the Soviet Union try to find some common terms of agreement, which we did.

Mr. Speaker: The Chair will recognize the hon. member for Annapolis Valley for one supplementary. We have to give other members an opportunity. There are only eight minutes remaining in the question period.

Mr. J. P. Nowlan (Annapolis Valley): My supplementary arises out of the Prime Minister's answer to the Leader of the Opposition. The Prime Minister mentioned equating and relating past endeavours of Russia with Canada. Can the Prime Minister inform the House and Canada what past endeavours of Canada even compare to some of the past endeavours of Russia, be it the Ukraine, Czechoslovakia or Hungary? It was the Prime Minister who used those words.

Mr. Speaker: Order, please. I would think that this is debate. The point may have been reached when the Chair should recognize the hon. member for Oshawa-Whitby.

Mr. Nowlan: On a point of order or a question of privilege, depending on how Your Honour wants to interpret it—

Some hon. Members: Oh, oh!

Mr. Nowlan: Seriously, Mr. Speaker, I did not intend to ask a supplementary, but the answer of the Prime Minister led to a very responsible and constructive supplementary question to attempt to find out what is in the mind of the Prime Minister on something that is as important, which I admit it is, as the relations between Russia and Canada. I am all for better relations. I am not for some other things.

An hon. Member: Hear, hear!

Mr. Nowlan: My friend from the Ukraine—

Mr. Speaker: Order, please. That is debate, of course. The hon. member will recognize it is the feeling of the Chair that, if there is to be debate during the question and answer period, we could continue with the first question every day and spend the 40 minutes on debate. I suggest that is not fair to other members who have questions to ask. There are now only seven minutes remaining in the question period. We spent the first 15 minutes on this point and we are now spending another 10 minutes on it. I fail to see where there is equity in relation to other members in doing this.

Mr. Nowlan: With due deference and all the respect I hold for the Chair, I would like Your Honour to declare and define for me—

Mr. Speaker: Order, please. I am not going to declare anything for the hon. member.

Some hon. Members: Hear, hear!

Mr. Speaker: The rules state very clearly that the question of supplementaries is in the exclusive jurisdiction of the Chair. At one point the Chair must rule whether we should go on to another question. This discretion has to be exercised by the Chair. It is perhaps not always exercised with the degree of wisdom that it should be, but it is certainly exercised with good will. That is why I thought we might have reached the point where the Chair should recognize another member of the House.

Mr. Nowlan: On the same question of privilege—

Mr. Greene: Shame!

Mr. Nowlan: Now that the Minister of Energy, Mines and Resources, who is commonly known as the minister of gas—

Some hon. Members: Oh, oh!

Inquiries of the Ministry

Mr. Speaker: Order, please. I suggest to hon. members that the situation is perhaps deteriorating a bit. I invite the hon. member to give the Chair the opportunity to recognize another hon. member. I am not suggesting that the question asked by the hon. member is not important and relevant, but it is a question of discretion and judgment whether we should go on to another questioner. The hon. member, who is here every day, might have an opportunity to ask the same question tomorrow as he is asking today.

Mr. Nowlan: With all due deference and for clarification for future questions, I would like to know what part of my question to the Prime Minister was argumentative in seeking an explanation of his own answer.

Mr. Speaker: Order, please. If the hon. member will read the Standing Orders he will know that he cannot ask that question. The hon. member for Oshawa-Whitby.

UKRAINIAN NATIONALISM—REQUEST FOR CLARIFICATION OF PRIME MINISTER'S VIEWS

Mr. Edward Broadbent (Oshawa-Whitby): My question is for the Prime Minister. As there is serious confusion concerning the Prime Minister's views on civil liberties arising out of his remarks on Ukrainian nationalism, both on a radio program on the CBC on Sunday and in answering questions is the House yesterday, and particularly as one of those involved is a distinguished scholar who has been convicted of advocating nothing more than linguistic and cultural freedom, will the Prime Minister please clarify his position on this issue?

Right Hon. P. E. Trudeau (Prime Minister): I think I made my position quite clear in answer to a question in the House yesterday.

Mr. Speaker: Order, please. I hope we are not resuming the debate we had on this point yesterday. The hon. member seems to be poised for a supplementary. I will allow him to ask a supplementary.

Mr. Broadbent: I am poised, indeed, Mr. Speaker. I am trying to be very serious and not indulge in any spurious kind of red baiting, to be quite frank, but the kind of equation that has been made by serious people on the subject—

Mr. Speaker: Order, please. The hon. member will recognize that this is debate. I have recognized him with the suggestion that he might ask a supplementary.

Mr. Broadbent: Would it be correct to infer from the Prime Minister's comments over the CBC and in the House that he no longer distinguishes between the activities of Mr. René Levesque and the FLQ?

Mr. Trudeau: No, Mr. Speaker.

Mr. Speaker: Order, please.

[Mr. Nowlan.]

INDIAN AFFAIRS

LENNOX ISLAND RESERVE—CONSTRUCTION OF LINK TO MAINLAND

Mr. David MacDonald (Egmont): My question is for the Minister of Indian Affairs and Northern Development. For some time I have been asking the minister what decision will be taken with regard to building a causeway or bridge to the Lennox Island Indian reservation. The minister recently informed me that the Department of Public Works was considering a possible design and would reach a decision by the middle of May. In view of the present construction season and the need for an almost immediate start on the project, will the minister indicate when this important project will commence?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I cannot report to the House today, Mr. Speaker. I have not received the report yet.

* * *

INDUSTRY

TRANSFER OF PART OF ENGINE PRODUCTION BY FORD MOTOR COMPANY FROM WINDSOR TO CLEVELAND

Mr. Mark MacGuigan (Windsor-Walkerville): My question is for the Minister of Industry, Trade and Commerce. In view of the indefinite lay-off of approximately 200 employees of the Windsor engine plant of the Ford Motor Company yesterday, with the prospect of further lay-offs in the next month, allegedly caused by a company decision to transfer a substantial part of its engine production from the engine plant in Windsor to that in Cleveland, what action does the minister propose to take?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I have an answer to this but I cannot find it.

Some hon. Members: Oh, oh!

Mr. Pepin: The gist of it is quite simple. Ford is not now selling in Canada in sufficient number the type of cars for which engines were being produced in the Windsor plant, so there is no transfer of work from Canada to the United States. There seems to be a change in the mood of the population with respect to the size of cars they wish to buy at this time.

Mr. A. D. Hales (Wellington): I have a supplementary question for the Minister of Industry, Trade and Commerce. Can the minister advise the House how Ford of Canada intends to maintain Canadian content in line with that of the base year if these engines are going to be made in another country?

Mr. Pepin: The Canadian content of Ford is very high at this time, in the neighbourhood of 100 per cent, Canadian value added.

ALLEGED MOVING OF PARTS BACK AND FORTH ACROSS BORDER BY AUTOMOBILE COMPANIES

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I should like to ask whether, with reference to the question asked by the hon. member for Windsor-Walkerville, the minister is aware that because of the auto pact it is quite common for companies to shift parts back and forth across the border, whether the whole automobile is assembled in the one country or the other.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): If the hon. member has some information he would like to give me on this subject, I would be delighted to study it.

* * *

POLLUTION

ACTION TO REMOVE THREAT OF OIL SPILL FROM GROUNDED TANKER, "TRANS PACIFIC"

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, in view of the absence of the proposed minister of the environment and the Minister of Transport I should like to direct my question to the acting minister since it is urgent. In view of the fact that the motor vessel *Trans Pacific* is aground off the southeast end of St. Pierre Island near Cap Noir lighthouse, has been aground since May 18, has on board 250 tons of bunker oil and is liable to break up at any time, can the government say what action it has taken to remove this threat to our shores?

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, I will take this question as notice.

CONTINGENCY PLANS TO DEAL WITH OIL SPILLS FROM SHIPS

Mr. John Lundrigan (Gander-Twillingate): A supplementary question, Mr. Speaker. The Minister of Energy, Mines and Resources or the acting minister might answer the question whether the government has any contingency plans to deal with an emergency such as that referred to by my colleague from South Western Nova, as recommended by the *Arrow* task force several months ago?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, this question would come under the responsibility of the Minister of Transport and I shall be glad to draw it to his attention.

* * *

FISHERIES

SUGGESTED SUSPENSION OF RIGHTS GRANTED TO UNITED STATES FISHING VESSELS ON PACIFIC COAST

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the right hon. Prime Minister concerning which I sent a short memorandum across the

floor to him a while ago. In light of the continued violation of the spirit, if not the letter, of the reciprocal fishing arrangements between Canada and the United States on the Pacific coast by the United States coast-guard in refusing to allow Canadian fishing vessels to seek harbour refuge, will the government consider the immediate suspension of present rights granted U.S. fishing vessels to use Canadian ports and to travel the inside passage?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not aware of the answer to this question. I will refer it to the Minister of Fisheries or the Secretary of State for External Affairs.

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SHIPPING

ESTABLISHMENT OF GOVERNMENT SPONSORED MARINE INSURANCE PROGRAM

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question I will direct to the right hon. Prime Minister. As a result of the Darling report on shipping, is the government now giving some consideration to the establishment and operation of a government sponsored marine insurance program?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if any policy is to be announced it will be announced in the House.

* * *

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—ADDITIONAL FUNDS PROVIDED IN 1971 COMPARED WITH 1970

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, in the absence of the Minister of Finance I should like to direct my question to the right hon. Prime Minister or to some other responsible minister. In view of the fact that the federal student summer program package announced some time ago was to have a budget of $58 million, which was later raised to $68 million, to provide extra opportunities for youth, and in view of the fact that reports are coming in that certain programs in operation last year catering to the same general area have been reduced, can the minister say how much money additional to that budgeted last summer does this summer's program contemplate? In short, how much new money is in the program?

Right Hon. P. E. Trudeau (Prime Minister): I do not have the figures in my head but they should not be difficult to ascertain. This year there is $68 million in the program. Last summer I believe there was approximately $15 million to $20 million. The figures can be found in the estimates and the simple deduction can be made.

Senate and House of Commons Act

AIR TRANSPORT

ASSURANCE OF SAFETY OF PASSENGERS PENDING SETTLEMENT OF DISPUTE INVOLVING FIREMEN

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I had a question for the Minister of Transport. Unfortunately he is not here today and neither is the acting minister so I will direct my question to the right hon. Prime Minister who perhaps can distribute it among his ministers. Is the government making arrangements to ensure the safety of air passengers in Canada until such time as the dispute between the Department of Transport and the firefighters union is settled?

Hon. C. M. Drury (President of the Treasury Board): Yes, Mr. Speaker, as I indicated earlier.

Mr. Speaker: Orders of the day.

• (3:00 p.m.)

GOVERNMENT ORDERS

SENATE AND HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING MEMBERS' SESSIONAL AND EXPENSE ALLOWANCES, ETC.

The House proceeded to the consideration of Bill C-242, to amend the Senate and House of Commons Act, the Members of Parliament Retiring Allowances Act, and an act to make provision for the retirement of members of the Senate, as reported (without amendment) from the Standing Committee on Procedure and Organization.

Mr. Speaker: Might the Chair inquire who is the seconder of motion No. 1?

Mr. Reid: Mr. Speaker, on a point of order, after consultations with members on both sides of the House I find there is not sufficient bipartisan support to guarantee the motion's passage, so I would ask that it be dropped.

Mr. Speaker: My understanding is that the hon. member is not moving the motion standing in his name.

Mr. Mark Rose (Fraser Valley West) moved:

That Bill C-242, an act to amend the Senate and House of Commons Act, the Members of Parliament Retiring Allowances Act, and an act to make provision for the retirement of members of the Senate, be amended by deleting clause 5 therefrom and by inserting instead thereof the following:

"5. This act shall come into force on the day fixed for the general election following the dissolution of the twenty-eighth Parliament".

He said: Mr. Speaker, before commencing my remarks I should like to thank my seconder, the hon. member for Broadview (Mr. Gilbert), for his generous assistance. I am glad he sincerely supports what I am about to say.

Mr. Gilbert: I rise on a question of privilege, Mr. Speaker.

Mr. Speaker: The hon. member for Broadview is rising on a question of privilege.

[Mr. Trudeau.]

Mr. Gilbert: Mr. Speaker, the only reason I seconded the motion was so the House could debate it. Certainly, I am not supporting it.

Some hon. Members: Hear, hear.

Mr. Speaker: Order, please. Perhaps I owe an apology to the hon. member for Broadview. He was standing at the moment the motion was put and I assumed that he wanted to second it. Perhaps he was simply moving from place to place and had not intended to be named as the seconder. If he wishes me to name another member I will do so with pleasure; perhaps this would be best. Mr. Rose, seconded by Mr. Knowles (Winnipeg North Centre).

Some hon. Members: Oh, oh.

Mr. Speaker: Hon. members have heard the motion. The hon. member for Fraser Valley West.

Mr. Rose: Mr. Speaker, I regret that my remarks are being accompanied at this point with such a great deal of hilarity because I am speaking, on a very serious matter. In introducing this amendment, which deals with the date on which this act shall come into force, I am really contemplating delaying the coming into effect of any increase in indemnity until after the date of the next general election. I fully appreciate that many members from distant ridings have in the past experienced, and are currently experiencing, some financial difficulty with the present indemnities and allowances. The financial objectives, of course, are recognized, especially the one that requires two residences, one in the riding of the member concerned and another in Ottawa. Similarly, the need for additional transportation expenses is both real and legitimate. The Beaupré report had some comments to make upon at least one of those two items, but the government has not seen fit to accept the recommendations of its own commission in this regard, and this I regret.

A greater expense burden is placed on those members who represent ridings which are geographically isolated, extremely widespread or scattered than the burden on those who represent relatively compact or nearby ridings such as those in Ottawa, Montreal and the Toronto area. The cost of an additional residence and an addition car represents a sizeable drain on the financial resources of any Member of Parliament, particularly those coming from the far east or the far west, or those representing rural or northern ridings.

I can appreciate the fact that those members who are in favour of an immediate pay raise might well be moved to ask why, in view of my remarks, I do not vote for the raise. My answer to this hypothetical and rhetorical question is that I have no philosophical objection to a pay raise for MP's or anybody else, but I do object to the size of the raise and its timing. I personally resent being put in the unacceptable position of voting myself a pay hike, and I will try to be more specific in that respect as I continue my remarks. I am also disappointed that the Beaupré report recommendations were not followed to assist those people representing ridings which require

greater financial demands because of their remoteness as compared to compact ridings near the urban centres.

No one can really win by taking part in this debate on this issue because if you are in favour of the increase you are considered to be greedy and irresponsible, and if you vote against the raise you are considered to be a hypocrite who secretly wants the money but wants to gain the political advantage of opposing such an increase. I suggest that view is widely held not only by some people in this House but also by members of the general public.

I have no objection to voting for a reasonable raise for the position of a Member of Parliament or for extra expenses, facilities or the staff necessary for a member to perform his job more adequately. It is for this reason I put my amendment forward. This is precisely why I feel any increase in salary or expenses should not come into force immediately but following the next general election. Under those circumstances, I would then be voting for an increase in salary for the position rather than for myself. There is little guarantee that anyone who is a member of this Parliament will be sitting as a member of the next Parliament.

I am prepared to vote for the upgrading of the position of a Member of Parliament. This position should be recognized by a salary increase. I am in favour of that if it can be handled in a different manner. Perhaps it should be tied to some salary scale in the civil service, or some other formula. This is not the case now. One of the main reasons for putting forward this amendment is the fact that this is our last hope of modifying the government proposal put forward at the worst possible time. I resent being put in the position of having to deal with this issue in the manner in which I am forced to do. Having been here for some three years, I am satisfied that the duties and financial responsibilities of an MP demand a constant reappraisal of financial return. No one comes here to make money. Most members are rewarded less than they would receive from their private occupations outside this place. However, I do not believe that Parliament should be the private preserve of those people with sufficient substance or wealth so that the size of an MP's indemnity is irrelevant. Parliament can be, should be and is to a large extent a reflection of various groups of Canadian society. The financial rewards, then must be such that the average Joe can run for office and serve his time here without taking a financial shellacking, therefore, there is a real need for constant reappraisal of the indemnity and expenses of MP's.

While the Beaupré did not propose a formula, it at least indicated the direction in which we should travel. The House leader has attempted to get the various parties to come together on a formula but I am sorry his negotiations failed. I am in favour of a pay increase coming into force only after the next election. While my expenses are much greater than I anticipated before I was a member—I admit that I did not fully understand the nature of the job or the demands placed upon a member—I emphasize that that dilemma is not unique in respect of the office of MP. All groups and societies have experienced inflation and the consequent reduction of the value of our dollar in real terms. If there is anything unique about the position of an MP, it is that he is a member of one of the few groups in society which can vote itself a raise in pay.

Other groups, which perhaps need an increase urgently, must depend on others to vote for that increase. Most have to go through elaborate bargaining processes. We do not have to do this. The timing of this raise is particularly inopportune in view of the government's proposed two-year period of restraint in other segments of our society. Perhaps after the next general election the economic conditions of the country will be different. I have not much faith in that line of argument, but I put it forward to indicate that the general public is quite critical of this proposed increase. There is a vast number of adults and students who are unemployed. The contemplated change proposed for our financial status does not automatically assure a similar prospect for the thousands of unemployed people. They cannot improve their status as we can. Someone else must do it for them.

When I ran for office I was a big boy, and I knew what I was doing.

An hon. Member: What happened, did you shrink?

Mr. Rose: I am sure some members think that I have shrunk since but I consider the personal rewards of a session of Parliament to be part of what I view as a contractual obligation. No matter how it hurts, members should be content with the $12,000 and $6,000 for the life of this Parliament. I am certain I will not receive substantial agreement on this point. I believe MP's salaries should be related to those of others on fixed income, veterans and pensioners, subject to yearly revision on the basis of a formula. We should try to avoid this controversy which occurs when we allow our salaries to remain in status quo for a period of 10 years and then propose a substantial hike. The government House leader has tried to explain that this increase is not a substantial hike but represents only five per cent or six per cent per year to bring our salary level up to date. The general public considers it a substantial hike, however, as compared to the increases the average individual is receiving. They feel this increase is substantial, monstrous and irresponsible.

• (3:10 p.m.)

I note that the government has abandoned, however, any attempt to reflect the cost of living in the old age security pension. We abandoned this last fall. A great number of people regret that even the limited two per cent escalator has been abandoned which was designed to perhaps bring some protection into old age security at a time when the value of our dollar was shrinking because of inflation at the rate of approximately five per cent per year.

Next, I should like the position of Member of Parliament to be recognized for salary purposes, rather than the person. In this way, during the next election citizens would have an opportunity in the ridings to choose from between three of four members who they would like to

see occupy the particular position. I believe this improvement in social justice would be accomplished by the passage of my amendment. The people would have an opportunity to decide which of three or four persons is the most worthy. Any political gain or disadvantage would then not accrue to anyone regardless of his vote today on this issue. I believe, by supporting my amendment, we would be recognizing the need for an increase but would be divorcing it from the individual member. This is what I would prefer.

Earlier, I expressed my regret that the government apparently had tossed aside the Beaupre Commission report. I know the government House leader said that the individual Member of Parliament could decide to do the things the Beaupre Commission recommended. I am not sure all the things the Beaupre Commission recommended could be accomplished by the individual member but certainly some could. Better research, office facilities and vouchered expenses reflecting riding needs have all been virtually ignored, so each member now is left with the decision, according to his own conscience, whether he wishes to use the money for the purposes suggested by the Beaupre Commission or pocket the increase himself.

I shall close by urging members to vote in favour of the amendment because it seems to me that only by supporting it can we at once recognize the need for a reasonable and responsible indemnity for Members of Parliament, with adjustments from time to time and also some better permanent legislation on this important matter.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, the remarks I am about to make may not contain too much logic. I fully confess that those who heard what I said previously will think I should speak in favour of the amendment advanced by—

An hon. Member: Speak a little louder.

Mr. Nowlan: If I had a microphone I would be heard. Otherwise, I will have to raise my voice.

An hon. Member: You have a dead mike.

Mr. Speaker: It is obvious that something is happening. Something would appear to be wrong with the hon. member's microphone. The problem now seems to have been resolved.

Mr. Nowlan: Thank you, Mr. Speaker. I do not want to mention anything that happened during the question period, but I am glad the gremlins have not decided to inhibit this desk. What I started to say before my dulcet tones could be carried across the chamber was that I confess what I am about to say may not appear to be too logical, and I admit readily that this is so, to those who heard what I had to say when this bill first came before the House. Hon. members will think I should support the amendment advanced by the hon. member for Fraser Valley West (Mr. Rose). I do not. I do not question the sincerity of the hon. member. Obviously, we cannot do that and it is a good thing that we cannot do it. I would not do so in this case in any event, because the hon. member is a personal friend of mine.

When I spoke earlier I felt very seriously that a pay increase, separate from an allowance for expenses, was not justified for a number of reasons which I shall not repeat now. I also said that such a pay increase should come after the election. The hon. member's amendment, however, would put the whole problem over until after the election. There is not a member in any seat in the House of Commons, including the hon. member, who does not know that expenses, allowances and out-of-pocket money with which members are involved week in and week out needs readjustment, reassessment and revision. It is for that reason the hon. member's amendment goes too far.

I considered moving an amendment to eliminate that part of the bill referring to salary increases. I, personally, deliberated the question and felt, perhaps wrongly, that it was not up to me to put individual members on the spot in respect of such a sensitive issue which affects all of us. This is why, although in my earlier speech I said I would endeavour to see if an amendment could be developed, I confess I did nothing during the committee proceedings even if I could have. Also I do not have a formal amendment to move today which would enable members to pick and choose, thus putting them on the spot in respect of expenses and salary. In my opinion, members, no matter how maligned they are from all sources, be it from the editorials, cartoons and people who write letters to the editor, do need a review and adjustment of their expenses and allowances. That is why I give full credit to the President of the Privy Council, the government House leader, for attempting—and at one time I was most optimistic there would be some success in his attempt—to have included in this bill a provision for a regular review and revision of salaries so that members would not again be confronted with the invidious practice of having to speak for or against the amount that goes into their pocketbooks.

It makes me sad that the President of the Privy Council was not able to get an all-party agreement to amend the bill. It was thus a surprise to me that the hon. member for Kenora-Rainy River (Mr. Reid) withdrew his amendment which, in effect, would go part way in providing for a permanent review porcedure which would obviate the necessity of members going through this moment of truth in making a decision which affects their pocketbooks. Such decisions can be misinterpreted or interpreted in any way one wishes. However, I am not supporting the amendment of the hon. member for Fraser Valley West. I also cannot support this bill. The bill which the hon. member attempts to amend, I believe, is a bad bill at this time. My main objection is that I believe it destroys the credibility of this institution as it relates to any economic matters involving restraint, discipline or control. One does not have to be a soothsayer to know that Parliament, in the months ahead, will be confronted from time to time with economic problems and with the duty of preaching the philosophy of restraint, discipline and control.

• (3:20 p.m.)

Furthermore, I believe, and I could make a speech on this topic alone, that this bill at this time downgrades Parliament in the eyes of the public. I said previously that I would not accept any benefits from this bill. Well, I went too far, and I admit it. An hon. member from behind the curtains says he wants them now. I also want them. If the hon. member behind the curtain comes to his seat—and I know who he is but I will not challenge him—I will show him that I never spoke against the principle of a review and a substantial upward revision in expenses and allowances of members. I also admitted freely that members needed an increase. So, my position, over which the hon. member behind the curtain chuckles, is one that I am prepared to face because it looks as though I have done a flip flop. In reality, however, it is no different from the one I took when I made my speech previously. But in honour to my friend behind the curtain I not only revise what I said, I repent in part for what I said.

Some hon. Members: Hear, hear.

Mr. Nowlan: There is no doubt in my mind, as I said previously, that members need an increase in funds for living expenses. Many have attacked this bill in a most negative fashion and some have mouthed platitudes against the bill, but nevertheless admit they will accept the fruits of the subject of their attack in whatever form or fashion. Some say they will donate the amount of the increase to charity. I must say that I explored this possibility but found there are more than mechanical difficulties. There are monetary difficulties in being Santa Claus to so many deserving Canadians. Of those who say they would donate it to charity, some may be able to afford it. I admit I cannot. Some members say they will be Pied Pipers in their ridings, dispensing dollars for charitable projects. Let them go to it. I cannot and I will not be a part of such hypocrisy. Some members say they will set up offices in their riding. Fine; let them go ahead, but once they do they will be accepting the bounty of this bill. Let us not fool ourselves. If they accept the bounty of the bill, then those members should not rail so aggressively against it.

To put it simply, I believe honestly that my instincts are right, but my pocketbook cannot afford them. Therefore, I intend to take the increase, and thus I feel I cannot vote against the bill. But since I believe so fundamentally in what I said earlier about the bill and its negative character, I cannot support the bill. Therefore I find myself in a sterile, neuter and, in effect, negative position for the first time in my life as a member and so will deliberately abstain from voting on this bill. This is why I am making this short speech.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I do not wish to miss the opportunity to state my views on the bill now under consideration, since I feel it is quite important. Some hon. members have been putting on a big show since the bill was introduced. I will not have anything to do with that and I would like to say immediately that I welcome this bill.

I think that a member has some heavy responsibilities. Some object to the bill claiming that its passage would be untimely. It was the same in 1968 when I was elected. It was too soon then to deal with an increase of our parliamentary salary. It was again too soon in 1969. However now it is too late because I imagine that an election will be called within a year and then, the passage of the bill will have to be delayed till 1972 or 1973.

Mr. Speaker, some hon. members are putting on a big show since they don't need an increase. They should, at least, have the decency to allow those who need it to use this additional income provided by this increase. On the other hand, there are those who extol virtue, but are not prepared to practise it. They should be honest enough to admit it.

Mr. Speaker, two election campaigns have just ended where odious comparisons have been made between the increase of 42 cents granted to some disabled people and veterans and this increase of $8,000 for Members of Parliament. Of course, this made for an interesting debate for the people to listen to. On the one hand, some hon. members blamed the government for introducing this bill and on the other, some considered this increase insufficient.

I believe the opposition parties blamed the government for that truly insufficient increase. There can be no comparison between that last one and the present proposal. Electionwise, that was interesting and perhaps profitable.

Through arousal of feelings of all kinds, there is again today an attempt to gain politically from this increase. It might be interesting to know who is against the increase and who is afraid, for instance, of seeing Parliament lose some of its prestige. As for myself, I am wondering how much a member of Parliament is worth.

I made a few studies recently and I calculated how many hours members of Parliament put in—because most of them work hard—and I arrived at the figure of $3.46 per hour. Of course, I must include the hours I spend at my office on weekends. I think that I am not the only one in this House to do so much overtime on weekends.

On several occasions, I had the opportunity to ask some ladies how much their husbands were earning. The answer was $4 or $5 an hour, in the case of professionals. I came to the conclusion that $3.46 was not exaggerated if we take into account the responsibilities inherent to the position of Member of Parliament.

I am convinced that several hon. members do know that the salary increase will be passed. I am one of those who look forward to it, and I do not hesitate in saying that this has become highly necessary in view of the responsibilities involved in my work. It is true that during the election campaign of 1968, I agreed to serve in this Parliament for the current salary. However, it was difficult for me, at that time, to know what amount of work this position implied. In the light of my experience so far, I quite agree now with the proposal of the govern-

ment. I blame it for one thing only: that it waited until today to have this House vote on it!

I feel that my opinion reflects the views of the majority, and I would invite hon. members, if they want to be honest with the population as they would like to be, at least to undertake to give this raise to charities if they think they do not need it and that this legislation is unacceptable.

• (3:30 p.m.)

I would like to be able to afford handing over that increase to charitable organizations. But I am not, Mr. Speaker. I shall use it simply to meet my present obligations.

I shall dwell on the matter no longer, but I had to express my views. I wanted to ask those who are against that increase to make less of a political issue of it or commit themselves officially to handing it over to charitable institutions. I know that, in my riding, the St. Vincent of Paul Society would be only too happy if I were to hand over the $8,000 a year. And I would be happy to do so, but I cannot afford it. The majority of members, except for those who are wealthy, cannot do any thing else but follow suit; but those who make political hay of the issue and oppose the bill in order to be able to say during the election campaign that they were against it, even though they accepted it, will be judged by the people.

I wanted to make these few remarks to ask other members who could be tempted to go on electioneering on this subject to refrain from doing so in order that we could now proceed to the vote; I will thus be in a position to take advantage of this raise to provide better service to my constituents and a better response to all solicitations for an improved administration of my constituency and I will also be better armed to defend the interests of my people.

It is with this in mind that I will welcome the raise and I am grateful to the government for acknowledging that you need money to go into politics and that I am not especially fond of having to work under difficult conditions. It is difficult for most people to accept and to understand the proper role of MP's and the expenses it entails. It is hard to understand that we should experience difficulty in getting along with our salary, but should we have to explain in minute details that our job involves some obligations and in this regard, I will refer to the invitations we receive from the public.

Having said this, Mr. Speaker, I hope this raise will not be delayed any longer and our situation should not prevent us from understanding that other groups of citizens also need higher incomes; furthermore, I do not hesitate in supporting the groups of citizens who are now in need of salary increases. I am not aware of this and I agree with it.

[*English*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I shall take only a few minutes of the time of the House at this stage. As hon. members are aware, I opposed this bill at second reading. I intend to oppose it on third reading as well. The arguments for that position have already been made and it is not my purpose to repeat them now. However, I should like to say just a brief word in view of the fact that I was given the opportunity to second the amendment proposed by my colleague, the hon. member for Fraser Valley West (Mr. Rose).

I may say that I do not agree with everything my hon. friend said in his speech about the arrangements that should be made in the future, but I do agree completely with him that if this bill is going to be passed it would be better if its effective date were at the beginning of the next Parliament rather than its present arrangement which makes it retroactive to October, 1970. For that reason, Mr. Speaker, I was pleased to second the amendment. I shall vote for it, but when we come to the third reading it is still my position that Parliament should not pass such a measure at this time and I shall vote against the bill.

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

Some hon. Members: Question.

The House divided on Motion No. 2 (Mr. Rose) which was negatived on the following division:

YEAS

Messrs:

Barnett
Beaudoin
Benjamin
Burton
Dionne
Fortin
Gauthier
Gleave
Godin
Harding
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Laprise
Matte
Mazankowski
Rodrigue
Rondeau
Rose
Schumacher
Skoberg
Thomson (Battleford-Kindersley)
Winch—22.

NAYS

Messrs:

Aiken
Allmand
Anderson
Andras
Asselin
Badanai
Baldwin
Barrett
Basford
Béchard
Beer
Bell
Benson
Bigg
Blouin
Borrie
Breau
Broadbent
Buchanan
Caccia
Cadieu
Cafik
Chappell
Chrétien
Clermont
Cobbe
Code
Comeau
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Crouse
Cullen
Cyr
Danson
Deachman
Deakon
Downey
Dupras
Duquet
Émard
Éthier
Fairweather
Faulkner
Forest

Messrs:

Forget
Forrestall
Foster
Francis
Gendron
Gervais
Gibson
Gilbert
Gillespie
Givens
Goyer
Gray
Guay (St. Boniface)
Gundlock
Haidasz
Hales
Harkness
Hopkins
Howe
Hymmen
Isabelle
Jerome
Kaplan
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Laing (Vancouver South)
Lambert (Edmonton West)
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Lundrigan
MacDonald (Egmont)
Macdonald (Rosedale)
MacEachen
MacGuigan
MacLean
Macquarrie
McBride
McCleave
McCutcheon
McIlraith
McIntosh
McNulty
McQuaid
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Monteith
Munro
Murphy
Nesbitt
Noble
Nowlan
O'Connell
Orange
Osler
Otto
Paproski
Peddle
Pelletier
Penner
Pepin
Peters
Prud'homme
Reid
Ricard
Richard
Ritchie
Roberts
Robinson
Rock
Roy (Timmins)
Roy (Laval)
Ryan
Scott
Skoreyko
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanbury
Stewart (Marquette)
St. Pierre
Sullivan
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudeau
Trudel
Turner (London East)
Valade
Walker
Watson
Weatherhead
Whicher
Woolliams—153.

• (3:50 p.m.)

During the taking of the vote:

Mr. Speaker: Order, please. It is a little difficult with the noise, for the Clerk Assistant to take the roll call. Perhaps we might start again, beginning with the hon. member for Shefford (Mr. Rondeau).

After the taking of the vote:

Mr. Speaker: I declare the motion negatived.

Hon. Allan J. MacEachen (President of the Privy Council) moved that Bill C-242, to amend the Senate and

House of Commons Act, the Members of Parliament Retiring Allowances Act, and An Act to make provision for the retirement of members of the Senate, as reported (without amendment) from the Standing Committee on Procedure and Organization, be concurred in.

Motion agreed to.

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

Mr. Knowles (Winnipeg North Centre): At the next sitting of the House.

* * *

PRIME MINISTER'S RESIDENCE ACT

AMENDMENTS TO CHANGE NAME AND PROVIDE RESIDENCES FOR LEADER OF OPPOSITION AND SPEAKER OF THE HOUSE OF COMMONS

Hon. Allan J. MacEachen (President of the Privy Council) moved that Bill C-241, to amend the Prime Minister's Residence Act, as reported (without amendment) from the Standing Committee on Procedure and Organization, be concurred in.

Motion agreed to.

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

Some hon. Members: Now.

• (4:00 p.m.)

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

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

Mr. MacEachen: On a point of order, Mr. Speaker. I wonder if Your Honour would call government order No. 69. I believe there would be some representations to put Bill S-15 through all its stages in order to meet the convenience of hon. members.

Mr. Lambert (Edmonton West): On the same point of order, it is our view that there should be an amendment to the motion. This bill should be referred to committee of the whole, and not to the Standing Committee on Justice and Legal Affairs.

* * *

INCOME TAX ACT

CONSOLIDATION IN PRINTED ROLL OF REVISED STATUTES OF CANADA, 1970

Hon. Herb Gray (Minister of National Revenue) moved that Bill S-15, respecting the consolidation of the Income Tax Act in the printed Roll of the Revised Statutes of Canada, 1970, be read the second time and referred to the committee of the whole.

Motion agreed to, bill read the second time, considered in committee, reported, read the third time and passed.

Post Office Act

POST OFFICE ACT

AMENDMENTS RESPECTING STAMP AGENTS' COMMISSION, LETTER MAIL PREPARATION ARRANGEMENTS, EXTRAORDINARY SERVICES, MEMBERS' MAIL, ETC.

The House resumed, from Monday, May 31, consideration of the motion of Mr. Côté (Longueuil) that Bill C-240, to amend the Post Office Act, be read the second time and referred to the Standing Committee on Transport and Communications, and the amendment thereto of Mr. Comeau (page 6220).

Mr. Speaker: Pursuant to special order made on Monday, May 31, the House will now revert to the deferred division in relation to the proposed amendment to Bill C-240. The question is on the amendment.

The House divided on the amendment (Mr. Comeau) which was negativated on the following division:

• (4:10 p.m.)

YEAS

Messrs:

Aiken
Asselin
Baldwin
Barnett
Beaudoin
Bell
Benjamin
Bigg
Brewin
Broadbent
Burton
Cadieu
Code
Comeau
Crouse
Dionne
Downey
Fairweather
Fortin
Gilbert
Gleave
Godin
Hales
Harding
Harkness
Howe
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
Laprise
La Salle
Lundrigan
MacDonald (Egmont)
MacLean
Macquarrie
McCleave
McCutcheon
McIntosh
McQuaid
Marshall
Matte
Mazankowski
Monteith
Murta
Nesbitt
Noble
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Ryan
Schumacher
Scott
Skoberg
Skoreyko
Southam
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Winch
Woolliams—69.

NAYS

Messrs:

Allmand
Anderson
Andras
Badanai
Barrett
Basford
Béchard
Beer
Benson
Blouin
Borrie
Breau
Buchanan
Caccia
Cafik
Chappell
Chrétien
Clermont
Cobbe
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Deakon
Drury
Dupras
Duquet
Émard
Éthier
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Givens
Goyer
Gray
Guay (St. Boniface)
Haidasz
Hopkins
Hymmen
Isabelle
Jerome
Kaplan
Lachance
Laflamme
Laing (Vancouver South)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacGuigan
McBride
McIlraith
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Munro
Murphy
Noël
O'Connell
Orange
Osler
Otto
Pelletier
Penner
Pepin
Prud'homme
Reid
Roberts
Robinson
Rock
Roy (Timmins)
Roy (Laval)
Smith (Saint-Jean)
Stafford
Stanbury
Stewart (Okanagan-Kootenay)
St. Pierre
Sullivan
Tolmie
Trudeau
Trudel
Turner (London East)
Walker
Watson
Weatherhead
Whicher—105.

• (4:20 p.m.)

Mr. Speaker: I declare the amendment lost. Is the House ready for the question on the main motion?

Mr. Arnold Peters (Timiskaming): Mr. Speaker, for some time now the postal department has indicated that the only category of mail which constantly pays its own way is first class mail, yet we note that the full impact of this increase with fall on those who use first class mail. This increase is from six cents to seven cents per letter on July 1, and from seven cents to eight cents on January 1, 1972. Within the last three years we have seen an increase in the rates for first class mail from four cents to eight cents, including letters posted for delivery in local areas. Thus the increase on January 1 of next year will be 100 per cent.

The time has arrived to look at the source of the revenue of the postal department. We must make some concessions on behalf of those people who are paying for the greatly reduced and inferior postal service. Only five years ago when you mailed a letter in a community for

delivery in that area it cost four cents. At that time such a letter would have been delivered the same day as a result of a twice-daily delivery service. After January 1 of this coming year, we will be required to place an eight cent stamp on a letter for delivery in a local community. We will have once-a-day delivery, so if the letter is not posted in time it will be delivered perhaps two days later, if you are lucky. Not only is there this built-in delay, but we find that the cost of the service and the efficiency have increased and decreased respectively. As a result of the new service, it will take four or five days to deliver a letter within a community.

• (4:30 p.m.)

I have heard stories, as I am sure other hon. members have, about what happens when someone is at the end of a postal walk. When there are letters that have not been delivered at the end of a postal walk they are taken back and put in the box again. If there should be too much mail again on the second day, the same mail might be taken back a second time. If a person lives close to the end of a postal walk or at a point where the postal employee might be at the time he goes home or leaves for lunch, that person might wait from Monday until Wednesday to have his mail delivered. The minister in charge of the post office should be prepared to say why he believes first class mail should carry the major share of the cost of the mail service in this country. He has said he will have mail delivered across Canada at a much accelerated rate. He made some suggestions, but he has not been able to produce. There are many instances in which mail service in Canada is not as fast today as it was.

There is no question but that in Northern Ontario 20 years ago mail was delivered at least one or two days sooner, on an average, than it is now. Occasionally, a letter mailed in Toronto is received in Northern Ontario the next morning, but this must be the result of an accident in which the letter got mixed up in some way and managed to get there. There was a time when if you mailed a letter before four o'clock in the afternoon in Toronto, it would be placed in the box in New Liskeard, 400 miles away, between four o'clock and eight o'clock in the morning. This variation in time was caused by the variation in the time of arrival of the train; it was never on time. However, that letter was always there the next day. All business in northern Ontario was based on a one-day delivery service in that area. Better than that, if you posted a letter in the postal box at any railway station or handed it to the man on the train as it went by, the letter would be dropped off at any delivery point along that railway line. Now, if a letter is put in the mail box at the station it will probably be taken back to the post office because it will go out on a bus.

Obviously, mail cannot be sorted en route in a bus. That was tried in the United States. They used a gyro car which is a truck with the body suspended to compensate for the movement. They found they could not keep people at that type of work. It has been impossible to have sorting en route. This means that in northern Ontario the mail has to be sent to a distributing point. The mail goes to the post office and is handled through the sorting system. It is then sent to a distribution point for delivery. If there is insufficient time to do the sorting at the first distribution point, it is put back into the box and sent to another distribution point at the other end of the line. I understand this is how the mail is handled now that road transportation is used. So, I sympathize with the minister in charge of the post office.

There does not seem to be any way, because of the manner in which the mail is presently handled, to have decent service. If the service is reduced, then the cost also, to some extent, must be reduced because there no longer is sorting in cars on the railways. The people who rode in those cars year after year are no longer employed in that position. The mail at a distribution point is handled through the normal sorting procedure and, therefore, there probably is a reduction in the cost of handling that mail.

I presume the reason the government dropped the mail contract with the Ontario Northland Railway was that it was very expensive. So, expenses are being reduced. To my knowledge no one in this House who represents a riding, urban or rural, would say that we are getting better service now than we did 20 years ago. Twenty years ago letters were delivered for 3 cents. Now, on January 1, the rate is to be 8 cents. The former Postmaster General said he would do something about this problem. He sure did. He got things into such a state that the employees were walking up and down in front of the Parliament buildings almost every day a year after they had a disagreement with the Post Office Department. The minister has not been able to tell them that the government has nothing to say to them because every few months or so another suggestion is made to these employees. They are given another offer which they can negotiate. Nothing has been solved. The result of all the negotiations has been dissatisfaction and disillusionment with the Post Office Department. This has created very low morale and a very poor relationship between the public and the postal employees. It has resulted in the public being dissatisfied with the type of service they receive.

If the rate for first class mail is to be raised from 6 cents to 7 cents and then increased to eight cents by January, why is the minister not in a position to say we are now able to have mail delivered twice a day. Why is he not able to say that the problem of the delay in many areas has been solved, and that the postal service will meet the standard that we established 20 years ago. I am not referring to a standard that we should have in the future but rather the standard we had 20 years ago. A large proportion of the cost of the postal department is being paid by the revenue from first class mail. I suggest we should be told if we are receiving some other benefits for the expenditure we are making.

The minister has not indicated that there will be any relief for the social, charitable, religious, labour and trade magazines. These magazines were very important

to the economy of our nation. Most of the farmers we talk to today still lament the fact that most of the farm publications have gone out of business as a result of the attitude of this government toward postal rates. The government has not done a damn thing about such magazines as *Time* and *Reader's Digest*. We understand that the same subsidization is being paid by the post office to *Time* and *Reader's Digest* that was originally negotiated. Neither *Reader's Digest* nor *Time* magazine, for all their comments, have done anything but provide Canadians with a lower cost propaganda machine, and most of the reports that we see in those magazines that are published in Canada have a slant in line with that in the parent magazine. But if the general public, the people who drop a letter in the mail box, are going to subsidize the reading material of this nation, then I suggest they could use their money to better advantage by subsidizing those magazines that were dropped as well as some of the trade publications that were beneficial to large segments of our population.

• (4:40 p.m.)

Much of the development in the agricultural field was brought to the attention of the farmers and of the entrepreneurs in the agricultural sphere by the articles that appeared in those magazines. I never found many people in Canada who were interested in providing such subsidization as we are now giving to *Reader's Digest* and *Time* magazine, but I have found many Canadians who would have preferred the government to subsidize magazines for the rural communities. They were one of the major instruments for social development in that segment of the population and helped to develop our rural way of life.

I did mention the fact that we have not done much to improve the relationship of the employees with the Post Office. Morale among post office employees in my area has had its ups and downs. In the last year or two, I have received numerous complaints about employees of the post office and about the fact that they do not seem to be very interested in serving the customer. They have a certain job to do at a certain time and that is all they care about. Customers can line up and wait or do whatever they want. The relationship of the employees to their customers is not as friendly as it used to be three or four years ago when people dropped into the post office for a kind of social gathering. They met there in the morning to exchange the news of the day. The rapport at present is not nearly as good as it used to be several years ago.

Why is there no indication in the bill of the view of the government as to whether it wants the Post Office Department to stay as it is or to become a Crown corporation? Are we going to get out of this never-never land of the Communications Department which is more interested in space vehicles, satellites and new types of communication rather than in the Post Office? Is any member of the government interested in the simple business of writing a letter, putting a stamp on it and mailing it to someone in the expectation of eventually receiving a reply to it? Are we to anticipate the establishment of a separate free enterprise organizations which would handle our mail? This possibility is not so remote any longer.

I understand that in the city of Toronto, during the time of the postal strike, hundreds of agencies were set up to deliver mail around the city by car. It was much easier to pay such a company for the service of distributing messages to customers around the city than it was to drop mail in the mailbox. If that was the case when the rate was at six cents a letter, such agencies will find it easier to obtain mail delivery contracts when the Post Office charges eight cents a letter. The entrepreneurs will take an interest in this, and I am sure many arrangements will be made which will have the pony express delivering mail around the major cities rather than the postal employees. All this depends on whether or not the Post Office can operate at eight cents a letter, and it is my guess that unless we bring the employees of the Post Office into the picture they will continue to be confused about the intention of the government with regard to continuing the Post Office as a government department or making it a Crown corporation.

We will have to wait and see how the Post Office department manages on the increased rates that are proposed and how it will manage the labour disputes. They will find that there are many other ways of handling communications within a city as well as from city to city. If we raise the rate to eight cents, we will not penalize a very large sector of the population. You will find that it is the business people who will suffer. Let me give you a small example. An American wrote a letter to a Canadian tourist operator in my area. He wrote that letter fairly early in the year asking for reservations on a certain date. It took 21 days for the operator to receive the letter. He then wrote back confirming the reservation, and that letter took eight days before it got back to the American. The tourist operator sent me the envelope. The destination of the letter was only northern Ohio. I sent this envelope to the Post Office asking them what happened. They are still looking, I presume, because I never had a reply. I am not sure that they can tell what happened because this seems to be a pattern which occurs frequently. Sometimes letters are delivered within a day and a half or two days, but this really shows that the whole system is wrong; it is not reliable. The tourist agent told me that he loses one out of five bookings because he depends totally on the postal service; he cannot use telephone communication. I am sure this is true of a number of other people who depend totally on the postal service.

It seems to me that before we raise our first class mail rates we, as Members of Parliament, should be assured that an over-all plan is being developed which will improve the mail service. When I get a bill from a company, I do not care how long it takes the bill to reach me. If I put a cheque in the envelope and send it back, I do not care if it takes a month for that cheque to reach its destination. This does not worry me, but it may worry the company that is billing me. They may want that

money now. This must affect many companies because many people have credit cards. If it takes a considerable period of time for the bills to reach the company's customers, the company has much money outstanding.

• (4:50 p.m.)

I suggest that we should look at the problems of our mail service, and assess what we can do about them. We should estimate what it will cost to do something about those problems. We should be in a position to look at some of the ways in which the problems can be solved. We then might find ourselves justified in raising the price of stamps to eight cents on the guarantee that mail is delivered within a reasonable period of time and, if it is not, that it be returned to the Post Office Department which would refund the cost of the stamp. For such a guarantee, I am sure many people would be willing to pay a reasonable postal rate.

If the rate on letters delivered locally is raised from 4 cents to 8 cents next January, all within a period of less than three years, it will entail an abnormally high expenditure for the ordinary public, especially when one considers that they will not get anything like the service that they previously got for 4 cents. In some areas people who live on rural delivery routes have advantages over people living on other routes. If you live on a rural delivery route that does not have too many customers, the likelihood is that you will get mail delivery about three times a week. But if you live on a route which has many more customers you will get mail delivery six times a week. In fact so far as mail delivery is concerned, you may do better living on a rural delivery route than living in a city. I suggest that people living on rural delivery routes should be treated equally. All postal subscribers should get equally good service, no matter where they live.

I hope the minister is able to indicate that the dropping of a large number of small community post offices across Canada has come to an end. I agree that the question of economy was involved. Many of the small post offices were costing much more than they were worth, and it was probably time to examine the services provided by them in relation to the cost. But I suggest that all this had a great adverse effect on many communities. I do not know how many hon. members share my experience, Mr. Speaker, in that the place where I was born no longer exists. It may not have been much of a place to crow about, and my being born there did not add much to it, but it had a sense of community. It existed by virtue of the services provided by the railroad and the post office. These services have now been taken away from it. People still live there but they find it difficult to maintain any type of identity as a community. I am sure my colleagues from western Canada could name hundreds of communities that are in a similar position. The net result may have been a savings for the Postal Department, and in my opinion the amount of savings should have been sufficient to permit normal mail delivery, at the six cent rate for first class mail, to be continued to those communities.

Finally, Mr. Speaker, I hope that the Postmaster General will clarify for us the direction in which the department is heading. The country would like to know what is being done. Recently a departmental inspector came into my area, into the town of New Liskeard. It has been designated a bilingual area by the federal government. The inspector came in there, and what did he do? He doesn't look at the hole in the floor of the post office. People have been tripping on that hole. The hole has gone through some kind of plastic coating, and through the plywood beneath that to the original hardwood floor. But the inspector doesn't do anything about that. He says, "We are just renting the building from Public Works; it is the fault of Public Works." Mr. Speaker, it seems it doesn't matter if people fall and break their necks. One lady did fall and was highly embarrassed. When one of the local councillors said she should sue the post office she replied that she was only concerned to get out of the building because of her embarrassment. The inspector says, "You're supposed to have a bilingual notice on the door to show where the postmaster can be found." Mr. Speaker, anybody who ever wanted to see the postmaster had no difficulty finding him. But the inspector insists, and says the French should be at the top of the notice. Maybe that is important, Mr. Speaker. It will be important to that inspector because he will be in lots of trouble. Although it may be a bilingual town the people are not swayed to the extent that they want a major war over Français au verso Anglais, or Anglais au verso Français. They just want the floor fixed.

I know that the minister is very familiar with the Postal Department. He has a family connection with it. He is sympathetic to the problems of the workers. He has not got his head in the clouds as the former minister in charge of it had. I am sure he has some good suggestions to make. This is a department that must provide service to the public. As long as it remains in the public domain the minister owes us an explanation of his intentions, and of what this large increase in rates will mean to the service provided for the public.

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

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Before calling the items to which I have just referred it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Victoria-Haliburton (Mr. Scott)—Housing—Decision respecting Rochdale College, Toronto; the hon. member for Regina East (Mr. Burton)—Youth—Capital assistance for provision of youth hostel facilities.

Canada Labour (Standards) Code

PRIVATE MEMBERS' PUBLIC BILLS

CANADA LABOUR (STANDARDS) CODE

AMENDMENT TO PROVIDE NINTH GENERAL HOLIDAY WITH PAY

Mr. Stanley Knowles (Winnipeg North Centre) moved that Bill C-42, to amend the Canada Labour (Standards) Code (Provision for a Ninth General Holiday with Pay) be read the second time and referred to the Standing Committee on Labour, Manpower and Immigration.

• (5:00 p.m.)

He said: Mr. Speaker, the purpose of this bill is to make a desirable amendment to the Canada Labour (Standards) Code and, in particular, to amend that part of it which provides for what are legally described as general holidays. The more common expression is "statutory" holidays. As it now stands, the code provides for eight of these holidays in the year and the proposal in this bill is to add one to the list. The days now provided are New Year's day, Good Friday, Victoria day, July 1, Labour day, Thanksgiving day, Remembrance day and Christmas day.

Mr. Peters: No St. Jean Baptiste day?

Mr. Knowles (Winnipeg North Centre): My friend wonders where St. Jean Baptiste day is. Well, it is on June 24 but there is no provision for a holiday in this statute. He is probably recalling the fact that it is on the list of holidays taken by this House of Commons. However, thanks to the helpful interruption of my colleague, I shall point out at this juncture that there is a section in the Canada Labour (Standards) Code under which certain adjustments can be made and some other holiday substituted for one of those set out in the code. It is under the provisions of that section, namely section 28, that in some parts of Canada St. Jean Baptiste day is celebrated rather than one of the holidays listed in the statute.

In any case, Mr. Speaker, that digression is not as much of a digression as it might seem to be because while my bill seeks to extend the list of statutory or general holidays to nine, it keeps alive the provisions of section 28 of the Canada Labour (Standards) Code. This means that in any part or region of the country where it was desirable to do so, any holiday more appropriate to a particular area could be substituted for one of the holidays listed. That is all by way of detail.

The purpose of this bill is simple and straightforward. It is a very minimal bill in terms of what it seeks; it asks for just one more general or statutory holiday in the year so that workers who come under federal labour provisions would get nine days in the year instead of eight. The bill specifies that this ninth day would be the first Monday in the month of August. That is a day which is celebrated in many areas of Canada under the title "Civic Holiday" or sometimes it is known as the "August Holiday". It is a little difficult to put a name to it that will meet with general understanding across the country and for that reason in my bill I simply refer to it as the first Monday in the month of August. That is also the reason for the title of my bill which simply asks to amend the Canada Labour (Standards) Code in order to provide a ninth holiday with pay.

There is before Parliament at the present time, Mr. Speaker, a bill to amend the Canada Labour (Standards) Code. This bill stands in the name of the Minister of Labour (Mr. Mackasey). Unfortunately, that bill does not deal with this subject and does not touch on the question of the number of general holidays in a year. I would hope that even if this House is not prepared this afternoon to pass this bill on second reading, that it would see it as appropriate to refer at least the subject matter of the bill to the Standing Committee on Labour, Manpower and Immigration in the hope that the committee might add this holiday to the list.

Sir, it is becoming more and more recognized that what we used to regard as adequate in terms of vacations with pay and holidays is no longer the case. There is abundant argument for more time off, for more leisure for our people; there is abundant argument for not only shorter work weeks and more holidays during the working period but for a shorter working life, for early retirement and so on. In the context of the realization that we should be moving in that direction, both to do something about the problem of unemployment and to establish the fact that life is not only for work, my request is a very simple one: it calls for just one more holiday per year. There are already nine holidays specified in the Standing Order of this House for the House of Commons so it seems to me that we should not do any less than that for the workers who come under federal labour jurisdiction.

May I again make the point, and it seems we have to make it every time federal labour law is discussed, that we are not dealing with just the public service. When some newspaper people learn that we have been debating a law regarding workers who come under federal labour jurisdiction they think that means federal public servants. That is not the case. When we speak of federal labour law, we refer to those people who, under the British North America Act, come under federal jurisdiction, such as those who work for the railways, shipping, airlines, in banking and a number of other industries that are clearly set out. Surely, we ought to take the step of providing nine general holidays in the year for these people.

Let it be clear that a part of this package, and this is also set out in the Canada Labour (Standards) Code, is that these holidays are to be with pay. There is no point in having holidays without pay. Too many Canadians are experiencing that right now. The provision already in the code with regard to extra pay for people who must work on general holidays would still stand with the amendment that is suggested in this bill.

As I present this bill to the House, Mr. Speaker, it will be pointed out that this is not the first time it has been presented. As a matter of fact, for a good many years now I have been presenting these bills; in the first place o try to get a Canada Labour (Standards) Code and now to amend it. I hope the House is in the mood to say,

"This is so right, this is so well deserved, this is so little, the least we can do this afternoon is agree to it."

Mr. David Weatherhead (Scarborough West): Mr. Speaker, it is a pleasure for me to take part in this debate this afternoon on Bill C-42, an act to amend the Canada Labour (Standards) Code by the provision of a ninth general holiday with pay.

As the Chairman of the Standing Committee on Labour, Manpower and Immigration, I am quite interested and concerned in this general field. It is of more particular interest at the present time because, as the hon. member for Winnipeg North Centre (Mr. Knowles) said, our committee has before it Bill C-228, another bill to amend the Canada Labour (Standards) Code which was proposed by the government earlier this year. We have commenced hearings on Bill C-228 and in the next few days will be receiving written and oral submissions from a number of main Canadian union and employer associations across the country, including the Canadian Labour Congress, the Canadian Manufacturers' Association, the Canadian Chamber of Commerce, etc.

• (5:10 p.m.)

Government Bill C-228 recommends a number of significant amendments to the Canada Labour (Standards) Code, including the increasing of the minimum wage, initiating 17 weeks maternity leave, strengthened provisions for equal pay for equal work, severance pay and varying lengths of notice with respect to mass lay-offs. However, as the hon. member who just sat down said, Bill C-228 does not make any amendment with respect to the definition of "general holiday" in paragraph F of Section II of the Canada Labour (Standards) Code which now calls for eight general holidays; these are New Year's day, Good Friday, Victoria day, Dominion day, Labour day, Thanksgiving day, Remembrance day and Christmas day and includes any day substituted for any such holiday pursuant to Section 28 of the Code. Bill C-42, which is being debated here this afternoon, would provide for a ninth general holiday under this definition by adding the first Monday in August.

I note that the hon. member for Winnipeg North Centre has introduced similar bills on at least three occasions, according to my information; in April and May, 1967, and September, 1969, but none have been given second reading. When the Canada Labour (Standards) Code first came into effect July 1, 1965, the provision for eight general holidays with pay was far in advance of the number obtained by collective bargaining in federal industries at the time and required a substantial adjustment by the employers under federal jurisdiction.

The proposal for nine holidays is still far in advance of the practice in industry as a whole, although it is apparent that there has been an increase in the number of employees receiving more than eight days holidays since 1965. According to the survey of working conditions conducted by the Canada Department of Labour, only 38 per cent of non-office workers in federal industries received nine holidays or more in 1968. For office workers, the figure is 75 per cent. This compares with 17 per cent of non-office workers and 51 per cent of office workers in 1965. In industry as a whole, 56 per cent of non-office workers and 75 per cent of office workers had nine holidays or more in 1968. This compares with 40 per cent for non-office workers and 59 per cent for office workers in 1965.

Only three provinces, Saskatchewan, British Columbia and Alberta, have legislation similar in principle to the federal holiday provisions. Three provinces, Manitoba, Ontario and Nova Scotia, have laid down requirements regarding pay for work done on public holidays. Saskatchewan and British Columbia provide for eight public holidays and Alberta provides for five. Both Manitoba and Ontario require payment of overtime pay for work done on seven public holidays. The Nova Scotia provisions, which are contained in minimum wage orders, require payment of overtime for work on public holidays, but do not stipulate the number of holidays covered. In the United States, the matter of paid general holidays has been left to collective bargaining. The Code provides also that, under certain conditions, an alternative holiday may be substituted for any of the eight holidays specified.

Should a holiday occur on a day on which an employee does not normally work, he must be granted a day off with pay in lieu of the holiday, either at a time convenient to him and his employer or by the addition of a day to his annual vacation. If Christmas, New Year's day or Dominion day falls on a Saturday or Sunday that is a non-working day for an employee, he must be given a holiday with pay on the working day immediately before or after the general holiday. These provisions regarding alternative days off do not apply, however, to employees covered by a collective agreement that entitles them to at least eight paid holidays a year.

The Code lays down the general principle that an employee in a federal undertaking who does not work on a holiday is entitled to his regular pay for the day. If he is paid by the week or month, his wages must not be reduced by reason of his not working on a holiday. If he is paid on any other basis, he must receive the equivalent of a normal day's pay. An employee in a federal undertaking who is required to work on a general holiday, other than one employed in a "continuous operation", is entitled to his regular wages for the day and, in addition, to time and one-half his regular rate for all time worked. In effect, he is paid two and one-half times his usual rate.

An employee employed in a "continuous operation", defined to include employment concerned with the operation of trains, planes, ships, trucks and other vehicles, telephone, radio, television, and telegraph services, or any other service normally carried on without regard to Sundays or holidays, who is required to work on a holiday either must be paid his regular wages for the day, plus time and one-half his regular rate for all time worked or, in addition to his regular pay for the day, must be granted a holiday with pay at some other time, which can be either a day added to his annual vacation or another day convenient to him and his employer.

There are some situations in which an employee is not entitled to holiday pay. An employee is not entitled to pay for a general holiday that occurs in his first 30 days of employment with an employer, but if he is required to work on a holiday he must be paid time and one-half his regular rate. If he is employed in a continuous operation, he may be paid at his regular rate for work done on a holiday. A further exception is that an employee is not entitled to pay for a general holiday on which he does not work if he is not entitled to wages for at least 15 days during the 30 calendar days immediately preceding the holiday. An employee in a continuous operation is not entitled to pay for a general holiday if he did not report for work in response to a call from the employer.

Special regulations for longshoremen provide that a longshoreman employed by an employer who is not a member of a "Multi-employer unit" is entitled to holiday pay if he is entitled to wages for at least 15 days or 120 hours in the 30 calendar days immediately preceding a general holiday. Pay for the holiday may not be less than eight times the employee's basic hourly wage rate. A longshoreman employed by an employer who is not a member of a "multi-employer unit" must be paid, on each payday, in lieu of general holidays, an amount equal to 3 per cent of his basic wage rate multiplied by the number of hours he has worked for the employer in the pay period. An employee who is required to work on a general holiday is to be paid at not less than one and one-half times his basic rate of wages for the time worked by him on that day.

From the figures I quoted earlier of 38 per cent of non-office workers in federal industries and 75 per cent of office workers in federal industries receiving nine holidays or more in 1968 and, in industry as a whole, with 56 per cent of non-office workers and 75 per cent of office workers receiving nine holidays or more, I would think that the time is fast approaching for the federal government to further amend the Canada Labour (Standards) Code to add at least one more, a ninth holiday. I believe, also, that the hon. member for Winnipeg North Centre should be congratulated for keeping this matter before the House of Commons in recent years. While he can often be criticized for private bills which propose considerable additional benefits, either in money or otherwise, out of all relationship to the practical realities of the day, I believe that in this case he is coming pretty close to a realistic mark in advocating the amendment of the Code to include a ninth general holiday for industries under federal jurisdiction.

I know that in Ontario, and I believe in many other parts of the country, a large proportion of employees, including most office employees, have obtained the first Monday of August as a holiday, known as Civic Holiday, for a number of years. The first Monday in August is particularly welcome as a holiday because it gives another long summer weekend in between the Dominion day, July 1 holiday, and the Labour day holiday on the first Monday of September. The workers, particularly in our large urban areas in southern Canada, look forward to a long holiday weekend about the first of August to get away from the often very oppressive heat in the cities to the lakes and resorts districts. Accordingly, since in 1968 by the aforementioned figures considerably more than half the employees in general had this first Monday in August as a holiday, I would certainly think that it is about time that we amended the Canada Labour (Standards) Code to include this as a ninth general holiday as soon as possible.

Mr. Deputy Speaker: The hon. member for Sarnia-Lambton.

Mr. Knowles (Winnipeg North Centre): He's back at the old stand.

• (5:20 p.m.)

Mr. Jack Cullen (Sarnia-Lambton): Mr. Speaker, I read with interest the bill presented by the hon. member for Winnipeg North Centre (Mr. Knowles). He indicated that I am back at the old stand. I think he made that somewhat derogatory remark because I participate in the debates in private members' hour. I can assure him that this is a compliment to him. I have heard him say on more than one occasion that this is a good opportunity to participate in the cut and thrust of a debate. The hon. member is well known for his talent and ability in the debating field. One appreciates the opportunity to match wits, talent and ability with a man of such long experience in this chamber.

The hon. member indicated that, in effect, this amendment applies to those who come under federal jurisdiction. He then went on to point out that this is not limited to federal civil servants. When this kind of suggestion is put forward, it has the effect of acting as a guideline for other jurisdictions. I sometimes wonder whether creating this kind of false holiday makes the small businessman wince a bit. It is my guess that the hon. member for Winnipeg North Centre has never been a small businessman and, therefore, has not been faced with the difficulties of meeting these particular paid holidays. The hon. member would be right to correct me and say that this particular piece of legislation does not apply to small businessmen, but I suggest it is the thin edge of the wedge that would be used by workers employed by small businessmen to bring about the number of holidays that he is recommending.

If I might digress for a moment, the hon. member referred to the fact that we in this chamber have nine or 10 holidays. Frankly, that is not a fair comparison. Many of the holidays provided find the members back in the ridings participating as Members of Parliament in one function or another. In many cases, they can hardly be called holidays. I think that most members of this chamber within appropriate travelling distance are able to go back to their ridings and participate in Remembrance Day services. Although it is a holiday from the House, it is not a holiday as far as the members are concerned. They participate in the services, albeit this is something they like to do. However, it can hardly be described as a holiday.

I believe in having as much leisure time as possible. However, as I have indicated on more than one occasion, I was raised in a mining community where fathers and

older brothers worked a seven day week. We accepted this because it was automatic for dad to go to work every day. We were happy that he was able to be home on Christmas day. In many instances, particularly in the mining communities in northern Ontario, Christmas was the one and only day that was recognized as a holiday. There comes a time when we have to look at what I call false holidays, when we are creating holidays for the sake of leisure time. We must not go too far and create a detrimental effect by lowering productivity, thus making it possible for the employed to become unemployed because the small businessmen cannot cope with all these holidays. We must bear in mind that the small businessmen would have to hire others to fill the gaps on more than one occasion.

I take exception to the timing of this particular holiday, if the bill is carried. It has been suggested that the holiday be on the first Monday in August. The hon. member who spoke before me and the mover of this bill have indicated that the first Monday of August would be the appropriate time. I do not believe this proposal takes into consideration what we in Canada all know, namely the severe winters. If we are going to have another holiday rather than Victoria day. It is time we started the mood of vacation and holiday. Even though an individual has to work in July and August, there is a certain relaxed atmosphere, something that is not evident in the months of February and March, toward the end of a long winter. If the holiday proposed in this bill is adopted, I will move an amendment that some consideration be given having it sometime in February.

There is another aspect of holidays which disturbs me. This particular holiday has not been given a name. I notice that July 1 has not been given a name. The May 24 holiday is sometimes referred to as the 24th of May holiday rather than Victoria day. It is time we started looking at these general holidays with a view to giving them names and honouring different ideas and themes. I would like to see the name of Victoria day changed. It could be given a name that would pay respect to the men who won the liberty that we all enjoy and appreciate so much today, namely the veterans of this country. I do not think that members of the army, navy or air force would object if this were called the Battle of Vimy Ridge day or Dieppe day. I would like to see these men recognized so that each year the young people would ask why we have a Vimy Ridge or Dieppe day. We could stress the contribution that was made by our Canadian fighting men during those days. It would have much more significance and would operate as a unifying force, much more so than using a name such as Victoria day.

There is a great deal of debate at the present time about July 1. It is called many things. Here it is called Dominion day. This would be a glorious opportunity to honour the men who gave us the freedom and opportunity to work so that we can appreciate the eight, nine, 10 or more holidays which we get annually. To avoid any interservice jealousy, I would suggest a name such as veterans day.

Remembrance day has special significance. It is my hope that we will never change the idea of the eleventh hour of the eleventh day of the eleventh month. That has a particular significance. It is not the kind of day where we should try to accommodate the working man in order that he will have a long weekend. I hope Remembrance day will always be on the same day as at present. In this way, when people ask why we have a holiday in the middle of the week and have two minutes silence at eleven o'clock on November 11, we will continue to be able to give an answer to the young people who have not known a time of war and hopefully never will.

It is not often that I agree with a gentleman we see over television from time to time, namely Gordon Sinclair. I hope that one day we will have a holiday that will be called flag day. I am not so naïve as to think that after the bitter debate that surrounded the flag, the partisan politics brought to play and the viciousness of the attack and counterattack that this is apt to happen overnight. There are probably still many memories in this House of that particular debate. There are still some feelings against the flag. However, the day will come when we will all be proud of the flag. When that time comes, I hope we will have a flag day.

I was pleased to see the Kinsmen Club of Stoney Creek have a project to sponsor the idea of a flag day. They, as did Gordon Sinclair, suggested that it take place sometime in February, primarily because it would give a holiday to the workingman at that time of the year when the workingman is really looking for a holiday. It would have the effect of honouring the flag we have come to know as the flag of Canada, distinctly, uniquely and proudly Canadian. The hon. member who moved this bill has indicated that there is really not much scope for debate. In fact, it seems to boil down to the question whether we are going to pass this bill and thus create this particular holiday or we are not.

• (5:30 p.m.)

I am going to vote against the bill at this stage because I think other things should be done first. I sincerely believe that thought has to be given to chang ng the names of some of our holidays, as we understand them, so as to give them meaning in the way I have suggested, namely, to pay tribute to the veterans to whom we owe so much and whom all too often we have a tendency to forget. You cannot blame the young people for this, Mr. Speaker. With them it is not a question of forgetting but, rather, of never knowing about the contribution made by our veterans. Although I was not living at the time of the First World War, as a result of my experience during the Second World War, in which I lost friends and knew others who participated in the armed forces, I obtained a new insight into, a new interest in and, more important than anything, a new appreciation of our veterans.

It is unfortunate that we had to have a Second World War so that someone like myself could have a second look at our veterans and recognize the contribution made by what we have called our "old sweats", the veterans of the First World War. If we put into these holidays the kind of respect that I think our veterans deserve, then perhaps it will be better than giving the workingman an

extra day's holiday. Perhaps on more than one occasion during the year we shall say to our veterans that we are paying tribute not only to those who gave their lives but also to those who gave their time and effort, even parts of their bodies, in order to protect this country. We would tell them that we have not forgotten. And to those people who never knew them or had the opportunity to forget, we are pointing out the contribution they made. One small way in which we could do this is by changing the name of some of our holidays.

The hon. member who spoke before me must have had the same research material as I, because some of the comments that I wanted to make he covered in his usual comprehensive way, obviously the result of a tremendous amount of work done this afternoon or last night. I pay tribute to him for the fine job he is doing as chairman of the Standing Committee on Labour, Manpower and Immigration. Needless to say, I will not insult his presentation by reiterating the points that he made. I have tried to make my point; I hope I have done so effectively and I thank the House for its attention.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Cullen: Cautiously, yes.

Mr. Knowles (Winnipeg North Centre): It is a perfectly friendly one. After the good things I heard about the hon. member when I was down in Windsor over the weekend I want to treat him with respect. In view of the fact that the hon. member for Scarborough West (Mr. Weatherhead) expressed pleasure at the idea of an additional holiday in August, and in view of the fact that the hon. member for Sarnia-Lambton (Mr. Cullen) has said that he would like a holiday in February, could these two Liberals get together and agree to make it ten holidays a year? That would satisfy them both.

Mr. Cullen: Mr. Speaker, I would not want to commit my hon. friend. This is the sort of thing that we as Liberals do in a very democratic fashion. I do not think that two of us in this House should determine what the whole Liberal party stands for. However, we will raise it in the Ontario caucus and discuss it in the national caucus. We do things in a democratic way, rather than making an offhand decision in the House simply on the basis of a question asked.

Mr. Knowles (Winnipeg North Centre): Oh?

[*Translation*]

Mr. Gérard Loiselle (Saint-Henri): Mr. Speaker, I must recognize the tenacity of the hon. member for Winnipeg North Centre (Mr. Knowles). When he is not calling for an increase in old age pensions, of Canadian National employees pensions, of social security pensions somewhere, he assumes the defense of the worker. Employers are seldom mentioned.

At the very start of my remarks, I should like to say that my quarrel is not with the idea of granting workers a ninth general holiday with pay but with the reasons given by the hon. member for Winnipeg North Centre, which I feel are inadequate to warrant my support for the establishment of a ninth general holiday with pay. He so readily grants holidays that a few minutes ago he was even considering granting a tenth one. At that rate, we should start by reassessing the eight already in existence and perhaps, as the hon. member for Sarnia-Lambton (Mr. Cullen) said a little while ago, "renaming" some of them.

He was speaking, for instance, of the Queen's birthday; I am very happy that I also have discovered that some people who are better informed than I am have learned this year that, when we celebrate the Queen's birthday, it is that of Queen Victoria and not that of our present Queen. I quite agree with the hon. member for Sarnia-Lambton that a new name should be given to that holiday.

That holiday should be established in honour of our veterans who have fought and died for their country overseas. Such a holiday would be more useful and would gain more recognition. It would make more sense than calling it the Queen's birthday.

Since we are speaking about new names, why not give a new name to Dominion day? In my view, that name is old fashioned. Why not call it Canada day? Instead of calling the first of July holiday "Dominion day", we would have more reason to call it "Canada day". At least, it would be a Canadian holiday.

Some hon. Members: Hear, hear!

Mr. Loiselle: I see that the hon. member supports the idea. I would hope that those who opposed a bill to this effect during the last session will agree to this natural state of affairs. I see that the hon. member if frowning, I do not mean the hon. member for Winnipeg North Centre, I said—

[*English*]

I was happy to see the hon. member for Winnipeg North Centre (Mr. Knowles) in favour of that subject.

Mr. Knowles (Winnipeg North Centre): With both hands.

Mr. Loiselle: I hope that those who were against the bill when it came up last session will change their minds. Mostly they were against the use of the word "Dominion". I agree that some of them were on my side of the House, but even so I still say that they are wrong. At least, in my opinion they are wrong, though they may have reasons for thinking themselves right. Nevertheless I still say that "Dominion day" should be called "Canada day".

[*Translation*]

—"Canada Day" in Canada, and this would be a holiday for all Canadians.

At the beginning of the remarks made by the hon. member for Winnipeg North Centre, I believe that one of his colleagues said "Why not Saint John the Baptist day"? This is celebrated in Quebec, just as in other provincial legislatures have passed different laws on statutory holidays. It is a provincial right to legislate as

to statutory holidays. Incidentally, three provinces have eight statutory holidays while other provinces have six. In addition, there have been arrangements for other holidays, and this remains under provincial jurisdiction. I know also that the hon. member is proposing a ninth statutory holiday which would fall within the federal government's province. Now it does not make sense to me that there should be nine.

• (5:40 p.m.)

Earlier in my remarks, I said that I had no objection in principle to the holiday as such, but that we are now facing other problems which are much more important than that of proclaiming a ninth statutory holiday.

And, I have here a short list whose contents I do not have to detail to you, but still I would like to bring it to the hon. member's attention. Indeed, taking into account all the labour contracts signed in this country, the record shows that in 1968 there were labour groups which enjoyed 16 holidays, others 15, 13, 11, 10 or 9. There is evidence that additional holidays must be granted under contract between employers and employees. That should be the concern of associations and unions which consistently claim that they want to defend the employers' interests. They are the ones who should be responsible when negotiating labour contracts, for convincing the employers that they should grant one, two or three additional holidays.

Unless it has important reasons for commemorating a special event, the government must not give one or two additional holidays just for the pleasure of doing so. There is much more to do in that sphere.

Since I am aware that the hon. member for Winnipeg North Centre is interested in labour, it would perhaps be advisable to settle problems of many Canadian workers. As it happened yesterday in my office, I met some who in a country like ours still work a 40-to-45 hour week and earn from $65 to $70 a week. One among them earns $68 per week after deductions and he has six children. This is illogical—

An hon. Member: Shame!

Mr. Loiselle: Yes, it is a shame. It is truly ilogicall. Instead of granting additional holidays without a valid reason, we should try at least to find some solutions.

Why not set up normal wage rates for those heads of families who, because they work, are denied all kinds of supplementary benefits they could get if they were unemployed or depended on welfare allowances.

I would much rather encourage someone who is willing to work, who takes the trouble and has the courage to earn his family's living. I would rather help him than the chronically unemployed. I am not talking about those who are sick and are entitled to welfare allowances; there are exceptions. However, some people never want to work.

I had evidence of that a few times this winter. I hired a man for a three-to four-hour job. He was a man of good build, the same as mine, he was 28 years old, he had two children and he was on welfare. I asked him casually: Do you want to work? He said he did. And so, I referred his case to the manager of the Manpower Centre in Montreal. Now, can you imagine what the answer of the manager was after 12 days? "We made four appointments with him and he did not show up for a single one." I had to tell the manager to forget about it. This is another chronic case, another parasite of society. I would agree to treating those people in a very special way, because the fellow who earns from $65 to $70 a week, who kills himself working for a mere pittance, has to pay his modest income tax and support the man who sits comfortably at home all year round, taking things easy. Indeed, the worker deprives his family while the man on welfare does not have to do so.

I will give you an example. Last year, those who were on welfare could obtain special passes for "Man and His World". However, a father with six children and earning from $65 to $70 per week could not give $2.50 to members of his family for visiting "Man and His World".

The hon. member knows that when the veterans bill was debated in the House, I objected to decreasing the amount of pensions to the widows and mothers' pension who wanted to supplement their income by working outside the home. I objected to it on the principle that we should at least give some encouragement to people anxious to help themselves in this life, to those who are willing to earn their own livelihood, to overcome their daily difficulties, instead of surrendering all the time to opposition parties' demands to improve the welfare system with increased allowances.

I know what social welfare is all about. I come from a workmen's district, a district with citizens' committees and dissenters. Unfortunately, there are some traitors who, instead of helping these people to manage their budget and make do with their normal earnings are seeking an increase in social welfare benefits. I support these increased benefits in the case of people who are really in need. A 62-year-old widow recently came to my office. Since there is no legislation applicable to her case, I refered her to the local welfare office. She started crying and she told me: "Listen, Mr. Loiselle, while my husband was alive, we never had much money, that's true, but we never had to go on welfare. Well, he is dead, and here I am". I told her "Dear Madam, just take advantage of it. There are enough social parasites and heartless people who take advantage of these benefits at the expense of those who really need them. This money is yours, and you are entitled to your fair share of it."

[*English*]

Mr. Knowles (Winnipeg North Centre): Would the hon. member mind indicating what this has to do with the bill?

Mr. Loiselle: Let me repeat what I suggested at the beginning. Instead of proposing another holiday for the workers of Canada, we should attempt to find a solution to the problems of the poor guy who earns $65 or $68 per week. Some of these people have six kids at home, such as the one who was in my office.

Mr. Knowles (Winnipeg North Centre): Tell that to your government.

Mr. Loiselle: We should try to benefit from experience. Instead of asking for more holidays the hon. member should attempt to help the government and those in this party to assist people who need it.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit another question?

Mr. Loiselle: Yes.

Mr. Knowles (Winnipeg North Centre): Will he, then, support an amendment I shall make to increase the minimum wage to $2 an hour for those who really need it?

Mr. Loiselle: Let me remind my friend that in 1965 the Liberal government increased the minimum wage to $1.25 per hour.

Mr. Deputy Speaker: Order, please. While the hon. member for Winnipeg North Centre (Mr. Knowles) did not say so, I take it he was rising on a point of order in respect of whether the hon. member for Saint-Henri (Mr. Loiselle) was relevant in his remarks. I think the hon. member for Saint-Henri may have been straying from the confines of the bill. With respect, I suggest that the hon. member for Winnipeg North Centre led him a little further astray. I suggest that both hon. gentlemen return to the context of the bill.

Mr. Knowles (Winnipeg North Centre): It was easy to do.

Mr. Loiselle: It is always easy to do that in this place, Mr. Speaker. In any event, I will tell you the story later because you are the one who is bothered by the situation. I will not take much more time because I know other hon. members have something to say about this matter. Let me repeat my earlier statement. Instead of suggesting an additional statutory holiday, members of the opposition should make constructive suggestions in order that the government may assist the unemployed and those with low incomes. I remember when I was a young lad that I was happy to be in school. This was true of the young generation then. When I grew up I had to make a living and went to work.

Why should we have a holiday on August 1, at a time when the employees of most companies are in fact enjoying their annual vacations? Most employees take holidays in July and August. If August 1 were declared a holiday, these people would come back from two weeks' vacation and find themselves with another day off and nothing to do. What is the use of giving a holiday to those who have already been on vacation?

We have urgent problems facing workers that must be solved. The government has shown it wants to do something for the workers by increasing the minimum wage to $1.75 per hour. The hon. member for Winnipeg North Centre suggests the minimum salary should be $2 per hour. If the government had suggested $2 per hour, the hon. member would have suggested $2.25. That is exactly what happened in 1965 when the government increased the minimum wage to $1.25 per hour; the hon. member suggested it should be $1.50 per hour. Now, when we suggest it should be $1.75 per hour, he suggests it should be $2 per hour. Members of the opposition will always suggest an increase that is above the government's proposal.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, this is a very well-intentioned bill, I am sure, but for the life of me I cannot understand how one can pick a day out of thin air and call it a national day of a day of special significance which merits being made a holiday. It makes me wonder about the purpose behind suggestions which encourage us to manufacture a holiday in order to get another day off.

• (5:50 p.m.)

To my mind, the words "the first Monday in the month of August" represent a nameless, pointless, meaningless and purposeless day. I cannot see how we could support a bill, even one to name an additional day under the Canada Labour (Standards) Code, such as this. If we want another day off for federal government employees, then let us give them a day off under the general provisions of the federal code. Surely it is not necessary to go through this terrible travesty.

I say this with all respect to the hon. member for Winnipeg North Centre (Mr. Knowles) because, as I said earlier, I am sure his intention is good. What we would be doing here would be adding another day to the general holidays of New Year's day, Good Friday, Labour day, Thanksgiving day, Remembrance day and Christmas day which for hundreds of years have become meaningful to people. We would be saying that there is another great day in Canada, which is the first Monday in the month of August.

I do not see how I could support this bill. I wonder whether the bill would qualify if we accepted it as one of Robert L. Ripley's Believe-it-or-Nots by saying we have the longest name for a holiday in the world, called "The first Monday in the month of August."

Mr. Francis: Call it "Knowles day".

Mr. Aiken: I suspect the hon. member thinks we might do that.

Mr. Knowles (Winnipeg North Centre): There are two of us.

Mr. Aiken: There are two, and maybe that makes it doubly unjustified.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit a question?

Mr. Aiken: Yes.

Mr. Knowles (Winnipeg North Centre): Is the hon. member aware of the fact that the first Monday in the month of August is already a civic holiday in many parts of Canada and is a day which many people would like to have off?

Mr. Aiken: Yes, I am aware of that. That was my final point. The first Monday in August is a civic holiday. A civic holiday has always been a day on which municipal councils have authorized the mayor of the town to declare a holiday as a civic matter. This is accepted in some places and not in others. I believe it would be wrong for us, firstly, to move in on this civic holiday and make it a national holiday because I do not know how we could justify it. It certainly would not be easy to make a municipal day a national day. However, if the hon. member had this in mind, I ask him now why he did not say so when he drafted the bill.

Mr. Knowles (Winnipeg North Centre): Would the hon. member permit another question?

Mr. Aiken: Certainly.

Mr. Knowles (Winnipeg North Centre): Does he not realize that this bill does not declare a national holiday in the way the Victoria Day Act and so on do, but simply states that on this day anybody employed under federal labour jurisdiction will get a holiday with pay? Does he not realize that a civic proclamation does not provide holiday for employees of the railways, the banks, and so on, which come under federal rather than municipal jurisdiction?

Mr. Aiken: Yes. I accept the hon. member's point there also. In the beginning I said that if we are to provide an extra day off, I see no purpose in putting it in this particular bill and making a travesty of the national holidays we already have. That is the reason I could not support the bill in this particular form, although it is possible when the labour bill comes up that something along this line could be included. I am merely objecting to breaking the long-standing precedent of national holidays which we have in this country by including this suggestion in, if I may say so, so clumsy a form.

Mr. Lloyd Francis (Ottawa West): Mr. Speaker, I hoped I would have a minute or two to add a few words. I listened with particular interest to what my colleague, the hon. member for Sarnia-Lambton (Mr. Cullen), had to say on this matter. He dealt with two aspects of the bill. I agree with him that in respect of the naming of the holiday we should take a hard look at the question. I feel another approach should be considered.

I agree with my friend, the hon. member for Winnipeg North Centre (Mr. Knowles), in respect of his objectives although I wonder whether he would consider this aspect. I believe he has chosen the wrong time of year for the holiday. The gap in the season now between New Year's day and Easter is too long. A generation ago everyone enjoyed the summer and the assumption was that in fine, balmy weather, such as we have today in this fair city of ours, is the time a holiday is needed. That was true at one time. However, the need now is for a winter holiday to break up the three-month or 3½-month period between New Year's day and Easter. There is no holiday on the calendar in that period.

Many people enjoy winter holidays for the purpose of skiing, winter sports, snowmobiling, and so on. There has been a change in our generation. On many occasions we can enjoy a weekend or three-day holiday in the winter just as much as we can in the summer months.

Mr. Knowles (Winnipeg North Centre): Let us have both.

Mr. Francis: What is an appropriate holiday which would fit the schedule? The suggestion of a flag day for the first week in February is a very good one. This was the time our flag was unveiled for the first time. I am looking at the hon. member who moved this motion. He was with me, I believe, on the day in February, 1965, when our flag was first unfurled on the Peace Tower. That was a memorable occasion. That, surely, is about the time of year when a holiday is needed. A civic holiday is fairly generally observed in those parts of the country where it can be observed. As mentioned by the hon. gentleman who just spoke, this is the general practice.

Mr. Deputy Speaker: Order, please. The time provided for private member's business has expired.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

POST OFFICE ACT

AMENDMENTS RESPECTING STAMP AGENTS' COMMISSION, LETTER MAIL PREPARATION ARRANGEMENTS, EXTRAORDINARY SERVICES, MEMBERS' MAIL, ETC.

The House resumed consideration of the motion of Mr. Côté (Longueuil) that Bill C-240, to amend the Post Office Act, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. Robert P. Kaplan (Don Valley): Mr. Speaker, I intend to support the bill that is before us. I agree in principle that the postal services should be efficient and modern. Indeed, I agree with the principle that the user should pay and I hope that the Post Office can achieve that objective.

I am rising to ask the minister some questions which I hope he will answer either in summing up the debate or when the bill is before the committee. I should like to begin by quoting what the minister said yesterday when speaking in this debate:

> The Post Office is relying heavily on marketing principles to determine the needs of customers and to tailor services to meet these needs.

I wish to tell the minister about a need which is not being met by the Post Office and about a service which is needed. It is one within my own constituency, in the

community of Thorncliffe Park which now contains 14,000 people. If they lived alone and not in the heart of Toronto, the lack of attention which is being given to their needs might be considered scandalous. I suggest that the problem is all the more serious because they are located in the heart of an important city.

These 14,000 people have no postal services whatsoever. I should like to tell hon. members something about their history. Until about a year ago they were served by a postal substation. Then the substation was closed because it was too crowded, in view of the demand, to provide the kind of service that was required. It was not able to do the job—everyone agreed that this was so—particularly at Christmas, but all year round it was too busy and too crowded to do its job properly. Therefore it was closed.

It was replaced by two stamp machines. At first there was one stamp machine. It was inadequate because it would run out of stamps every few hours, that is to say, it required servicing more than once a day. So a second stamp machine was added. These 14,000 individuals, for whom marketing principles are being studied to determine the needs of customers and to tailor services to meet their needs, now have two machines which contain enough stamps for nearly one whole day.

In the speech to which I have already referred, the minister said:

> We have long-range plans to replace inadequate mail . . . facilities in major cities with up to date plants.

I hope there is a short-range plan to replace these two stamp machines with an adequate facility to cover the needs of 14,000 people. There is a range of innovative services about which the minister told us.

• (8:10 p.m.)

He referred to the Fairview mall boutique, a postal boutique which will provide government departments and agencies with an opportunity to disseminate information. I submit it is most unfair that the Fairview mall, which is not greater than Thorncliffe Park, should have a postal boutique which provides a wide range of services when the 14,000 people of Thorncliffe Park have only two stamp machines which run out of stamps before the end of the day.

Recently the minister indicated that work was being done to try and provide better facilities for Thorncliffe Park. In fact, for over a year there has been a search for a new location for the post office. But a year is too long. Physically, this is a small community. The number of alternative locations is quite limited and it should not take a year for a decision to be made, for negotiations to be concluded and for a post office to be provided.

A few months ago I tabled the following question in the House of Commons:

> Has the government established any deadline for obtaining a post office facility for Thorncliffe Park?

After the question had lain on the order paper for several months, the answer I received was a very simple one. It was "no"—one word.

[Mr. Kaplan.]

In his address yesterday the minister indicated that a program to improve the services and appearance of small post offices is scheduled to get under way in July. Here we are, looking to July to improve the appearance and services of existing small post offices. I would like to close on this note and remind the minister that the 14,000 people of Thorncliffe Park are not waiting for an extra stamp machine, they are not waiting for a boutique or for services and facilities based on marketing principles: they are simply waiting for a post office and I submit they should have one.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to take a few minutes to speak on the legislation now before us.

The minister is seeking passage of a bill providing that postal rates for first class mail be increased from 6 to 7 cents, effective July 1, 1971, and from 7 to 8 cents, effective January 1, 1972. This increase is about the only concern, or at least the main one, of this government, which sponsors the legislation now before us. It is not very much concerned, however, about services to be provided to mail users.

What the people require of the Post Office is fast and efficient service. It seems that since 1954 especially, postal rates have increased periodically and as they go up, the service gets worse.

I do not know exactly what is wrong, if influences outside the postal administration interfere with its operation, but the fact is that the postal service is not efficient right now.

In fact, I have heard from time to time in the House some members convey to the minister complaints made by their electors to the effect that the mail is moving slower and slower. The minister then replied: If you bring specific cases to my attention, I shall investigate and we shall attempt to correct the situation.

Now, I have in my hand an article which I sent to one of my constituents. I admit that it was no first class correspondence but, nevertheless, according to the House of Commons post-mark the item was mailed May 6 at 4 P.M. and reached Authier on May 18, 1971. I think this is much too long to dispatch an item from Ottawa to a community in Abitibi. What is the reason for such a state of affairs? I think that once I have expressed this complaint to the hon. minister in a moment, if his officials want to take the trouble to do so they will find the cause of this delay.

This is not the only case. I believe that if an inquiry is made at the level of city regional offices, we shall find there the main reason for the inefficiency of the postal service. It is not up to me to criticize the employees of these big offices, but it is obvious that if postal workers in small towns or villages worked in the same spirit as those in the large post offices, we simply would not have any postal service.

I think there is much room for improvement in this field. Why are those workers not more efficient? Is it on account of low morale, or because their training officer did not do a good job?

We could compare this to a recent incident that occurred within the Canadien hockey team. At one time, there were complaints that if the team was not as efficient as it should be, it was due to the coach who did not have the knack to get the best out of his players.

I wonder whether it is not the same with postal workers and whether, at a given time, there was not a lack of leadership to boost and support their morale.

• (8:20 p.m.)

At all events, the fact remains that services have been considerably downgraded in spite of constantly increasing rates, labour and machinery costs and raw material requirements. We are therefore justified in asking what is wrong and what can be done.

A few years ago, the former Postmaster General (Mr. Kierans) called on K. P. Warwick and Company to conduct studies on ways and means of improving the postal service. The company carried out 15 studies within the 12 months ending on November 1, 1969, at which date it submitted a report. It called on the services of six consultant firms in order to seek solutions to be applied to the problem. Apparently, however, the conclusion was that the Post Office Department should be transformed into a Crown corporation in order to provide efficient service on a self-sustaining basis. Indeed, the minister mentioned in the statement he made upon introducing this bill that if the postal rates were not increased this year, the deficit would add up to some $113 million for 1971-72. Aslo it is said in the report on the study that if changes are not made before 1975, the deficit could well reach $500 million.

Mr. Speaker, I do not know to what extent the cabinet has considered the report submitted by this firm nor what conclusions were arrived at, but, in any event, this report would deserve careful examination to determine whether it would be wise to make the corrections that are mentioned, since those experts which have studied the question certainly did not make their suggestions merely to have them ignored. The suggestions should be considered very carefully to see whether it would be desirable to make such changes, in order not to ensure a profit but to avoid a deficit.

According to the estimates in this report, it could happen that we shall have to pay 12 cents for a stamp in 1980 and 21 cents in 1990 in order to keep revenues at a sensible level corresponding to increasing costs.

According to the experts who have studied the matter thoroughly, it seems that this service will be more and more expensive yet without any guarantee of efficiency.

In his opening remarks the minister told us that it was necessary to increase rates for users of postal services so that those who do not use them do not have to subsidize them. The minister said that industries, tradespeople and businessmen accounted for 80 p. 100 of the volume of mail and the rest of the population for the other 20 p. 100.

I understand both the position and the purpose of the minister. However, he knows very well that if postal rates are increased for industries, tradespeople and businessmen, the increase will be reflected in their cost prices and the consumer will be once more paying for it. The consumer always pays in the end for any increment. Whether he does so through public funds or higher consumer prices, the effect is nearly the same.

The increase of postal rates will only bring temporary relief and will not really solve the problem, because I expect that the administration costs of the postal system will continue to increase as those of any other system and even if the department were turned into a Crown corporation, it would be confronted with the same increases or the same requests for increases.

In my opinion, the government should try to find some practical and effective procedures to dispatch as quickly as possible the mail from a point to another, in order that the people who need those services to communicate with each another will quickly obtain them, otherwise they will resort to other means of communication. The rates will then be increased and the users will be tempted to use other means of communication.

I do not think the bill now before us brings the changes the public is expecting. It will do nothing more than ease the financial situation of that department trying to finance itself. We should not be more demanding of such a service as far as profitability is concerned than of any other department. The Department of External Affairs, the Secretary of State or the Canadian Broadcasting Corporation are not required to pay their own way, so why should we ask the Post Office Department to have no deficit?

Even if public funds must make up a few deficits, the people will not care too much about it, but we must first of all try to give them the satisfactory services they want.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I wish to begin my remarks in French since we are discussing a department which is now under a French-speaking minister and I think you can get along better with him in French than in English, although I notice he is wearing his earphone.

The bill now before us aims at raising postal rates. We are being told that the minister wants to do something which should have been done long ago. He has delayed raising the commission to be paid to agents selling postage stamps in small sub-offices. As much as 5 per cent will be paid in commission for some stamp sales.

Those people will take advantage of the opportunity and doubtless many people will want to sell stamps. Often one has trouble obtaining stamps, especially when they are sold through machines offering 24 cents' worth of stamps for 25 cents. Now, what is the minister going to sell the public since the cost of stamps will be increased to 7 cents? Will we get only three 7-cent stamps and three 1-cent stamps? What stamps will the booklets contain?

[*English*]

However, Mr. Speaker, various items are provided for in this bill. I have no great cause for complaint in my relations with the Post Office Department. I must say, though, that I join with hon. members who feel that for

the last two or three years, particularly under the minister's predecessor, there has been a myth to the effect that the Post Office Department should show a profit regardless of the level of service.

• (8:30 p.m.)

The postal service, Mr. Speaker, was never founded to provide a profit. We have seen the paradox of rapidly escalating letter and parcel postage rates and charges for special services, and a decline in the quality of general services. Almost all members have complained about the time lapse between picking up and delivering mail. One does not rely any more on such things as overnight service. That service used to be provided as a natural course of events, but it is not any more. There was a local rate for overnight service, but now there is no local rate: instead there is poorer service.

I would refer to the time of the passport muddle. Never did one section of the government service join more in what I frankly fear were the inefficiencies of another department than did the postal service, particularly with regard to registrations. At that time, once a passport had left Ottawa in a bulk billing under registration it could end up in Timbuctu and nobody would be any the wiser. This happened in many instances. Passports went astray and were never found simply because there was no way of backtracking under the bulk billing.

I was promised that there would be some sort of improvement in the services in order that items could be followed up, but it would be at an increased rate and not at the registered rate. Services that had been standard before, or had been standard in certain communities where bulk billings did not apply, were to be upgraded, but we were also to upgrade the charges.

That was pure and absolute nonsense, Mr. Speaker, and was not justified under any circumstance. We know that items started out in small communities as registered items, then came to a main postal station, a distributing point and disappeared. If a letter were sent, say from a small town in Alberta to eastern Canada, it would reach Edmonton then join a bulk billing and disappear. It would be gone. Unless they searched the postal stations from the roof to the basement, the item could be gone forever: it was just lost. Yet we were being charged the same rate by the post office.

I have not heard of any new, improved service although it is possible there is one. The passport division has improved its efficiency and therefore we are not bound to search for passports as we were wont to do on previous occasions when it was always wise to send out the registration number because that, at least, was half a clue.

Then one runs up against certain regulations in the postal service. Some think, Mr. Speaker, that these regulations were written on the same tablets as those on which Moses put down the commandments of God, so sacred are they. They are treated with the greatest of reverence by postal officials. When you talk to postal officials about these regulations you learn that they assume that Parliament has considered and approved them. Of course, we know that is totally false.

The regulations are made at home for home use and for the benefit of home, that is, for the benefit of those administering the regulations. That is surprising. I have talked with some of the senior people in the department—I do not mean here in Ottawa but across the country—and laid it on the line that the Post Office provides a service for the public and that the word that must be underscored three or four times is "service". The public does not exist for the benefit of the Post Office, although a great number of Post Office personnel operate on that basis. Many of them feel that the great, unwashed public is there for their personal benefit and gratification, on the basis of the regulations.

It is not pleasant to say these things, and I know that many of the minister's officials are listening. I would tell them the same thing face to face. I have said it many times over the telephone. The one cardinal rule that you must apply, not only in the post office but in other departments of government is the rule of service to the public. The regulations should be designed to provide service; they should not be made to inhibit service. There must be that degree of flexibility which will permit service to be extended. Let there be none of this business: You happen to be 50 feet beyond a certain boundary line and therefore we cannot deliver mail to your door. That, Mr. Speaker, is one of the self-serving regulations made for the benefit of those at home within the department.

I know that within its administration the department must also deal with groups of employees who come under collective bargaining but who have forgotten the word "service". As a matter of fact, the leader of one of these groups the other night said he could not care less about service or about the efficiency of the department; his interest lay merely in getting more money for his men. That type of demagogy just will not do. This is a service department. It is organized not for the benefit of administrators and employees but for the benefit of the public. And who are the public but the people of Canada? This is a service for the people of this country.

If everyone within the department adopted the same attitude toward service that has been exhibited by some of the men whom we have seen performing in the last couple of years, this would indeed become a sad, sad country. Unfortunately, there is an attitude of: Forget the women and children. Cast off the lifeboat because I'm in it. I could use much more, shall we say, crude expressions to illustrate the same attitude. That attitude is not right. It will not do to say: I'm all right; cast off. Forget about the others.

One point I would make to the minister is that right from the top of the organization under his jurisdiction there should be a re-examination of the motivation behind the regulations. These should be designed to give service with maximum efficiency and more than just a modicum of courtesy.

• (8:40 p.m.)

What are the public concerned about? They are concerned about the little things—rudeness and curtness and the fact that they cannot pick up their mail. A Member of Parliament provides the crying-towel for many of these complaints. These people are not going to make the complaints to their local postmaster, regardless of the size of town. They do not know the postmaster; he is a man in a back office. Timid little ladies or young persons who are not used to facing up to situations are not going to complain. Usually a strip is torn off them or someone indicates that they are soreheads. They usually come to their Member of Parliament to complain.

It is great to listen to these things but it is a sad reflection on what should be one of the jewels in the crown of services which the government provides. That is where the postal service should be. Of all the services the government can provide with almost daily repetition, the postal service should be uppermost; but unfortunately this is not the case.

For the second time in four years the public of Canada is faced with an increase in postage rates. This increase will be made pretty well across the board; it will affect the majority of the public. There were famous, or infamous incidents in 1967 or 1968. There is a rather sad history of a certain night here. I am sure the minister will always remember that. But there has not been an improvement in service. The only plea I make is insistence upon service. I will repeat it as often as is necessary. We cannot expect the public to come to us just because the postal services are there. If you have a service, you have to sell it by your attitude, courtesy and efficiency. In this way you have a much more successful and happier operation.

Some of the measures adopted have been gifts laid at the foot of the altar of efficiency. They have been appalling because they have not succeeded. There may appear to be some efficiency. But ask John Q. Public what he thinks! Although he pays more, he does not get his mail any quicker. I realize that salaries, and so forth, have escalated. One wonders when the demands are going to stop. However, equipment and productivity have increased. There may have been a case for an increase at some time, but at the moment the minister has not demonstrated an absolute need. It is incumbent upon the government to prove their case for an increase in postal rates.

There are clarifications of the law with regard to postal services that will be available to members of this House. There are some idiosyncracies in this respect. There is one provision of which I fully approve because I have seen abuses in the past. The franking privileges of members will cease ten days after dissolution of Parliament. In the past almost whole political campaigns have been launched from Ottawa. This was handy for members who had a geographical advantage. That is not fair. I think this provision will be much better for everybody. I fully approve of the limitation to be imposed on this service for Members of Parliament.

It is up to the minister to make his case with regard to the increase in rates, not merely quoting grandiose figures. I want to see something demonstrable in the case of improved services. Will there be an improvement? To use a current phrase, I am still very much "out to lunch" with regard to the numbering code in Ottawa. Frankly, I receive very little mail from Ottawa which includes this code. The reason is that it is too complicated. It may be very simple for those who are in contact with the plan, but I have to stop and think very hard whether I have the letters and digits in their proper sequence. I even have to ask myself what they are; there are many combinations.

We must remember that these codes are not printed; they are written. One which I recall is K1H 5S8. When they are handwritten, the "5," "S" and "8" look very much the same. I think a sorter would have to make a triple examination of the 5S8 because of their similarity. These are some of the practical difficulties. Most of my neighbours put the notice which they received into a drawer. They found it too complicated to bother with it. They were quite happy with the postal zone they used before.

There many be some theoretical advantages in this system but unless the public is persuaded that it will be used generally and is to their advantage, it is of no use. I admit that perhaps more testing is required. It might be necessary to send out a few more reminders to the public. Very nice kits with little stickers were distributed. There are two cabinet ministers who live on my street. I wonder how many of those stickers are still in desk drawers in their homes. I cannot persuade my wife to use them. She says that she cannot remember the code. The same applies to my neighbours. Theoretically, this plan may be perfectly good but greater effort has to be made to sell it. At the moment, I must confess it is a bit of a non-starter. It may be all right in government offices.

• (8:50 p.m.)

When letters go out from our offices on Parliament Hill to our constituents, we use the new postal code. My correspondents have asked me what these symbols mean because they have not heard about them. I know they have been publicized in the press here and perhaps mention has been made of them in the press generally, but how many people remember that sort of thing? I would have to write a special letter to each of my correspondents in Edmonton and ask them please to use the code number, and I just cannot do it. I put it on my letterhead in correspondence from my office but I have only seen one or two replies bearing the number. This is a job for education.

Again let me say I do not think the minister has demonstrated the need for these increases in postal rates. This afternoon I voted to postpone second reading of the bill for six months, and unless there is a great change in the bill this will be my attitude when the vote is called on second reading.

Post Office Act

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I had not intended to speak this evening since I spoke last night on the amendment to give the bill a six months' hoist. But having checked some of the speeches I feel that there is information which the minister should make available to members of the House when he winds up the debate on the bill some time this evening.

One thing that disturbed me was a statement the minister made in which he did not give certain facts; at least, they are not in *Hansard*. The minister was talking about the deficit the Post Office will have in the fiscal year 1971-72 unless there is an increase in postal rates. As reported at page 6217 of *Hansard*, he had this to say:

> It is with this in mind that the deficit for 1971-72 is estimated at about $113 million, a reduction from last year, which is encouraging. This is the deficit we expect without any increases in the postage rates. Obviously, we must look to such increases if the gap between revenues and postal costs is to be narrowed significantly.

What was the deficit last year? The minister is saying that it was more than $113 million. Was it $120 million? The minister nods his head; therefore I presume we are talking about an operating deficit last year of some $120 million. Now I have established that, there are one or two things I should like to leave with the House because they disturb me immensely. A little over two years ago we in this House passed amendments to the Post Office Act which raised the rates on all second and third-class mail. Hundreds and hundreds of little newspapers and publications were put out of circulation simply because they could not afford to pay the increased postage.

We were told at the time that the increase in rates would help pull the Post Office out of the red and bring it to the point where it could manage the deficit it was incurring. On checking the record I find that the following occurred during the last three or four years, and I have taken this information from the accounts that are given members from time to time. In 1968-69 the revised net operating deficit was around $90 million. The full effect of the increases we made just over two years ago brought the deficit in 1969-70 down to $52.9 million. The following year, namely last year, the deficit rose from $52.9 million to a whopping $120 million.

Much has been said about Post Office management, but the minister now comes back to the House and to the public of Canada for approval to take another big bite out of the public purse in terms of first-class mail rates. One month from now the minister will raise the postage on a first-class letter to 7 cents, and six months later, on New Year's Day of 1972, as a bonus from this Liberal government the rate will be increased to 8 cents. This represents an increase of one-third over the present rate.

With regard to the income received from first-class mail, according to my interpretation of the minister's speech he said he expects to pick up this year about $37 million as a result of the increased rate. The next fiscal year will be 1972-73, and the revenue derived from the increase will amount to $80 million. The point that interests me most is that two years ago we did an "axe job" on the postal system of this country. We talked then about bringing down the deficit and holding it at a certain level. It was suggested at that time that we would not need another major increase in rates. Yet lo and behold, we find that the increase in the deficit during the last fiscal year jumped to $120 million.

Mr. Rose: Mismanagement!

Mr. Harding: Yes, Mr. Speaker, I think much of it is due to mismanagement. I think this House and the country is faced with deciding whether the Post Office Department is to be run as a service to the Canadian people or made to pay like a business organization. I have no doubt at all that the Post Office must be run as a service to the Canadian public and that we should expect to have deficits. If we are to supply service to outlying areas and to rural parts of Canada, in many instances it is simply impossible to make the service a paying proposition. I would be the first to admit that rural areas deserve small post offices and postal services because, after all, these people have pioneered this country and are entitled to some of the amenities of life. If we have to operate such services at a loss, as we do in many cases, I submit there is absolutely nothing wrong with doing so.

When the minister closes this debate I would also ask him to outline to the House exactly what are his plans, not just for next year but for the next few years. Where are we going, and where are the rates going to stop? Is the minister trying to put this department on a paying basis in order that it will show figures in the black every year? If this is the desire of the department it should let members of the House and the people of the country know what to expect. So far we have not been given the complete picture by the new Postmaster General or his predecessor.

• (9:00 p.m.)

Le me refer again briefly to the point I raised last night. The post office box rental charge to residents of rural areas is unjust. Let me make it crystal clear that as a result of studying postal revenue sources for 1970 in Canada as reported in the annual report of the Post Office, I found that $4.9 million were collected from post office box rentals, mainly from people living in rural areas. Again I suggest to the minister that when people living in rural areas are charged this amount for the rental of post office boxes they are being discriminated against by the government.

I have my mail delivered to my apartment in Ottawa. It is slipped through the door and I pick it up in the morning. People in rural areas should be assured that the mail delivered to small post offices can be picked up if necessary some time after the post office is closed, and without cost. They should be in a position to receive mail on a general delivery basis. They should have exactly the same service which people in the cities receive. Our Post Office is not giving these people this service.

I make this point as strongly as I can and suggest it is rank discrimination against the people living in rural areas. The department is suggesting to them that they must accept this kind of service charge because they have chosen to live in rural areas rather than in larger

centres. There is no rhyme or reason in the philosophy of the Post Office Department which maintains this discriminatory practice. Let me again remind the minister that this charge amounted to only 1.1 per cent of the total revenue of the department in the fiscal year 1969-70. By changing the system, the department might increase its deficit by a small amount but this should be absorbed by the system if the department intends to deal fairly with people who live in villages and rural areas.

I do not intend to continue my remarks because we will have an opportunity to talk about this situat on after the bill has been sent to committee and reported back to the House. I trust that when the minister closes the debate he will tell us where the Post Office Department is going and how it will get there.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I would like to make a few remarks on Bill C-240 as regards the hike in postal rates and certain services which are likely to be provided to hon. members should this measure be adopted.

I find it highly regrettable that the minister in charge of the Post Office—for whom I have the greatest respect—is the sponsor of a bill whose chief purpose is increasing postal rates.

However, no matter how imaginative one may be, one cannot find any improvement in postal services which would warrant this boost. I am referring more specifically to the services which should be improved and which have not been since the last raise.

Honorable members will recall that when the former Postmaster General introduced a bill to increase postal rates, we warned the government that such a measure would bring about an increase in the dailies' subscription rates. The government replied that there would not be any direct effects on subscription rates to daily newspapers. And yet, it is exactly what happened in the rural areas and as we had been telling the government all along, in the long run, the small taxpayer had to pay for it.

However, everyone knows now that it is precisely what happened and the daily papers, at least those in my area, now cost twice what they used to cost and the newspaper owners are saying that the increase is due to the high cost of delivery by mail.

It will also be remembered that, at that time, the president of *Le Soleil* of Quebec City was sending us, every day, three feet long telegrams. I even measured one, and it was 38 inches long, in which he asked us to oppose that measure.

At that time, it was the hon. members who had benefited the most from free publicity in that newspaper during the 1968 election campaign who were supporting the bill. As a matter of fact, they were supporting it because of the party line, as, deep down, they were not in favour of the bill. On the other hand, those who were against it, the hon. member for Bellechasse among others, were those who got the least out of that free publicity. Those hon. members opposed the measure not because they had obligations or through gratitude to the press, but because they knew beforehand that it would be the "small people" who would pay for the increase.

There is another thing we deplore, but unfortunately it is too late to do anything about it. If today we could be assured that the Canadian people would get a better service, we would certainly be confident and probably would support the increase because we would be convinced that in so doing we would give to the government and the Post Office an apportunity to offer a better service to the people, thus giving them a satisfaction they deserve.

• (9:10 p.m.)

We have now reached the point where we think twice before sending out bulk mail and figure on a 10 day delay to make sure it will be delivered on time. And we find that even if we allow for the necessary delays, delivery is still late.

I found out once that 50 per cent of the notices for a meeting were delivered two days after the meeting was held. I then asked the Postmaster General, following complaints from my constituents, if there was any possibility of making an inquiry to determine why those notices were not delivered on time. The Postmaster General, through his officials, authorized the investigation and they reported to me.

I must say I was happy with the way the investigation was carried out and also with the officials' performance of their duties, since they reported to me. I was just waiting for an opportunity to remind the Postmaster General—or rather his predecessor, that we express criticisms and suggestions only after having thoroughly gone into the matter—to use the words of a great one who has passed away—in order to cause prejudice to no one and not to make unjustified criticisms.

In such circumstances, when deliveries are not on time, the sender is dissatisfied, and so are those who are to receive the communications, both sender and addressee are discontented.

As representatives of the people we must, on occasion, report on the situation and try to call for improvements. The way things are, no wonder the public loses confidence in the postal service. The Minister is right being concerned about it. He is frank enough to say it publicly as he did yesterday in this House, as may be seen from page 6216 of Hansard, and I quote:

> ...one which concerns me greatly is the loss of public confidence the Post Office has experienced in recent years. As I have said before, this confidence must be restored if the Post Office is to be able to continue its vital role in Canadian society. To this end, we are moving to improve services through major reforms.

I am convinced that the minister is well meaning, that he wants to make major reforms, but these should not merely consist in raising postage rates. It would be necessary, indeed, to improve the postal service so that it might regain public confidence and be more widely used because, on the whole, when I was younger, I considered

this service as a sacred one. When we mailed something, it could reach its destination without any concern. If any item got lost, it was possible to find it without too much difficulty by filing our complaints to the postmaster or the authorities.

The minister also said, and I quote:

> Government has to decide if the taxpayers of this country should subsidize services whose main users are business and industry. Approximately 80 per cent of Post Office volumes are in fact derived from business and industry. Given this, the principle of successive operating deficits, to be supported by general taxation, would appear inequitable.

Mr. Speaker, even if the main users belong to the business and industrial sectors, the fact remains that under this procedure, in the field of business and industry, costs increase to the same extent and the consumer ends up footing the bill. If I were in business, if my operating costs increased because of higher postal rates, as a businessman, I would have to put in the expenditures column, higher expenses, so that these could be added in the end to my income. This would also apply to the manufacturing cost if I were in the industrial field. I would indirectly ask the consumer to cover them, which is normal.

Although it is said that 80 per cent of the mail is sent out by business people and industries, it is however the population that indirectly pays for it. If I were convinced that the increase mentioned in the bill would provide towns of about 1,000 people with the services of a post office, I would perhaps be more favourable to this legislation.

I would like here to appeal to the minister and make several requests that I have expressed before and which he has understood very well. However, he is unable to answer members' requests concerning the building of new post offices. If I were quite sure that those increases would finally be used to enable the minister to meet those rightful demands, I would have, in all fairness, to trust him and give him the support he needs under the circumstances.

In addition, the minister referred—and rightly—to the purchasing power of the dollar to justify that increase and I quote:

> In terms of the purchasing power of the dollar, the basic increase of seven and eight cents is actually lower than the four cent rate which came into effect in 1954.

I am quite pleased to read what the minister said in that connection, Mr. Speaker. He takes into account the increased cost of living, the depreciation of the dollar to justify increased demand as far as the postal service is concerned. However, the same factor should also be considered with regard to families and old people. When we used that argument to ask the government for amendments to the legislation authorizing payment of family allowances or pensions to the disabled and the old, we were laughed at.

It will be recalled that in 1945 when family allowances were established, the dollar and the cost of living were not what they are today. If it is fair to advocate a postal increase on the basis of a higher cost of living and depreciation of the dollar, I ask the other ministers of the government, the Minister of Health and Welfare (Mr. Munro) for instance, to invoke the same reason when a study is made of the legislation concerning family and welfare allowances, etc.

Mr. Speaker, if it is logical to consider such factors, it should have enabled ministers and members to provide for improvements in other fields that are as justified as the one we are asking for today.

Bill C-240 is a kind of little omnibus bill, which puts me in a somewhat conflicting position. As a matter of fact, it contains changes, two of which are necessary.

First, it provides for an increase in the commission to agents selling postage stamps. Indeed, I can understand that postmasters selling stamps to the public deserve a pay increase; after all, the pay they get from the Postmaster General is not always proportionate to the work they have to do. I can also understand that it could be very difficult for the minister responsible for the postal service and officials to establish standards that would be absolutely fair for all postmaster across this country. That is why whenever I happen to talk with postmasters who ask me to appeal to authoritiees in order to get them a pay increase, I always make it a point to find out the total number of their customers, their turnover, etc. so as to be sure that their request is justified.

Second, this bill provides for collective mailings free of postage in the case of members of Parliament. I believe I am justified in saying that I should support that provision had it been put forward separately.

A few weeks ago during the debate on Bill C-242, I pointed out to the government the needs of Parliament members for services and this service was precisely one of those, we wanted so as to have an additional tool to better serve the people.

I will not repeat what I have already asked and this is why, in my opinion, this is a kind of a small omnibus bill which contains both good and bad things. Therefore, we must determine whether the pros outweigh the cons.

This is why I have analyzed as objectively as possible all the provisions of the bill and taken it upon me to give my opinion during this debate.

I would like to conclude by asking the minister in charge of the Post Office when he closes this debate to enlighten the House about the printing of stamps. Are they still totally or partly printed by the British American Bank Note Company Limited? Are they still totally or partly printed by the Canadian Bank Note Company Limited with all its equipment? Are they partly printed by the British American Bank Note Limited and partly by the Canadian Bank Note Company Limited? I would like the minister to tell the House why the printing of stamps is done by those two companies and what is the approximate annual amount paid to them, because, in the absence of information to the contrary, I always thought that the government did not buy the stamps sold to the public, but had them printed. In fact, I believed that the Queen's printer did the job, but according to the information obtained, it is entrusted to the two companies I have just mentioned.

Therefore, I would like to be told, as accurately as possible, what it costs to produce those stamps and how much the government gets out of it, which would allow hon. members to study the situation seriously and to make suggestions to the minister on how to finance that department and improve the service to the public.

I shall conclude with those remarks, since I consider them essential to the guidance of hon. members. I am convinced that the minister will in due course do his best to provide us with the information I am now requesting.

[*English*]

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, there has been a good deal of discussion on this bill and several of my colleagues have covered the points which seem to me to be of great importance. There is only one major point with which I would like to deal tonight. I know it has been touched on by some hon. members already, but I would like to emphasize it.

When speaking yesterday the minister indicated that the rates for second-class mail would not be changed at present because an in-depth study was being carried out. But then he went on to deal with third-class mail, indicating that the loss on that category of mail this year was expected to be about $38 million. Then he said that this category covers printed materials of various sorts, such as advertising circulars and catalogues, Christmas cards and small packages of merchandise which do not weigh over one pound.

The point is that the minister did not include what to me is a very important kind of mail which is classed as third-class mail, that is, mail put out by voluntary, charitable health and welfare organizations and other such groups which give out information to their members on a non-profit, voluntary basis. I think that the minister should not lump third-class mail, profit-oriented, junk mail with the voluntary mailings of health and welfare and other charitable organizations which come under this category.

The hon. member for Kootenay West (Mr. Harding) made reference to the fact that the last time raises were made in postal rates back in November, 1968, the process killed hundreds of little magazines giving out educational, church and charitable information because publishers of these papers could not cope with the increased cost in the mail rates. This is a shameful thing indeed, as my colleague remarks. He has added a few other such groups, being of a helpful turn of mind, such as ethnic, religious and other groups who have suffered from this increase in postal rates, so that by extension the whole Canadian population has suffered from them.

Now, apparently the minister is proposing that third-class postal rates for this type of publication be increased again. He is evidently preparing for the slaughter of more organizations which would come under this category. I think that this should not be done. Not to leave these organizations faceless, I want to remind the minister of the group that came to see him on May 13 with a memorandum. These groups are well known to us all across Canada. There were three of them: the Canadian Rehabilitation Council for the Disabled whose best known activity is the Easter seal campaign, the Canadian Tuberculosis and Respiratory Diseases Association which every year conducts the Christmas seal campaign across this country, and the War Amputees of Canada with their key-tag service.

All these groups are non-profit and all of them are in a precarious financial situation. All of them are doing a necessary and valuable service to people, and all of them will be menaced by something which should apply only to junk mail under this new rate increase. If the minister is proposing to defer increases in second-class mail rates until he has made an in-depth study, why in the world is he not proposing to do an in-depth study of third-class mail which would divide junk mail from mail sent out by voluntary health, welfare and other non-profit groups?

• (9:30 p.m.)

Why does the minister not do what these organizations asked him to do, namely, establish a special category of mail for organizations such as those which run the Christmas seal and Easter seal campaigns and the key tagging service? Why should they be lumped in with junk mail? The minister promised these organizations that he would consider their request and that he would make an announcement before the new mailing rates come into effect on July 1. So far I have not noted any announcement by him on this subject and I am worried lest it be overlooked.

The representatives of these organizations pointed out that the last 66⅔ per cent increase in mailing rates made it very difficult for them to carry on operations, and that if they were again taxed by an increased postal rate the funds they would have available for welfare and public health purposes would be cut drastically, or they would have to reduce the number of mailings which would also have the effect of reducing the funds they could collect for their operations. To make these organizations pay increased mailing rates would be exceedingly short-sighted. It is estimated that in 1970 the postal revenue generated by these three groups, the Canadian Rehabilitation Council for the Disabled, the Canadian Tuberculosis and Respiratory Diseases Association and War Amputees of Canada, amounted to $1,004,000. They point out that if another increase is imposed on them it will very likely reach the point of no return and instead of generating more revenue the Post Office will lose revenue from them. That is just like killing the goose that lays the golden eggs.

If these organizations continue to be treated like the commercial purveyors of junk mail and as a result are unable to continue their work, government departments will have to undertake that work and another burden will be thrown on the taxpayer. These organizations object, I think rightly so, to being classed with the profit-oriented, commercial concerns which operate on the basis of junk mail. Junk mail concerns can increase the price of their goods and services but organizations such as those I have mentioned provide their services on a voluntary basis.

These organizations made two requests to the minister. The first was that he consider—in effect, that means

come through with—the establishment of a special category for non-profit, voluntary organizations providing health and welfare services and, second, that he set up standards or criteria under which organizations like these could qualify for a special mailing rate. I think the minister should reply to these requests tonight. He should separate the profit-making, junk mail artists from organizations that are doing a real service to the Canadian public.

This is the point on which I wished to speak tonight. We should not indulge in any more slaughtering of voluntary, non-profit groups such as occurred in respect of numerous publications when the previous postal increase came into effect.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I do not wish to delay the passage of this bill but I have a few words to say about it.

Mr. Speaker, we are faced with an increase in postal rates which had been announced quite a while ago. We are aware of the fact that the Post Office is getting deeper and deeper into deficit and that it will keep sliding down unless something is done to correct the situation. According to the figures I have here, the Post Office deficit presently amounts to $113 million and it will get even worse in the years to come unless we regain control of the situation.

I wish to express my admiration for the minister who did everything he could and cannot be held responsible for these increases and for the problems facing the Post Office. The minister did a good job, with the means available to him, to correct quite a number of anomalous situations and we appreciate his work. For all he has done, we express our admiration, but much remains to be done.

Mr. Speaker, if postal services decrease and costs increase, there surely is something wrong somewhere. The people are getting less and less service. I shall not dwell on the subject at length for my colleagues have already spoken about it.

With regard to those services, I mailed letters in my riding that were delivered three weeks later. Like the hon. member for Bellechasse (Mr. Lambert) I too asked for a report on the matter, and received good ones. I can only praise the postal employees who, in general, perform their duties well, but the mail took two or three weeks to cover a distance of roughly 300 miles. That is not normal. There is certainly something wrong. I blame the delay not on the carelessness of the minister but rather on certain civil servants who do not do their jobs properly, who do not take their responsibilities seriously where mail delivery is concerned.

But there are other responsibilities, of much greater significance, which are far from being properly assumed by civil servants, and this tends to increase operating costs and hence the cost of living generally. As for senior officials, I have something to say about them and I think I have already told the minister. Now I am not criticizing the minister, but I suggest he should consider straightening out the situation. Inquiries should be made because senior officials are terribly expensive to the Post Office.

Some officials are not discharging their responsibilities by a long shot. This I am saying quite frankly: they are wasting public money. I will give hon. members evidence of it, but without going into details for it would be too lengthy and would cause a public scandal.

In my riding, for instance, they first closed down the post office four years ago before building a new one. Floor space was rented elsewhere to house the post office. Since then, plans were made, tenders were called and withdrawn, in short, they changed their minds about seven or eight times. The fact remains that the post office building is closed. It could have been kept open to the public. Therefore, for the last three years, we have had to pay rent to house the post office elsewhere. It is terribly costly to the department and even if there were three or four sets of plans made and as many calls for tenders, none was accepted, all have been rejected to consider something else again.

• (9:40 p.m.)

That issue has been pending for three years now and has probably cost thousands of dollars to the department. It is not really the Post Office Department that is responsible, but the Department of Public Works, because the latter is responsible for the construction of buildings. Delays of this sort, for one reason or another, are inexcusable. Then, when information is asked for, one is told that bids will be called next week. This has been repeated for two years. One is told: They will be called next month; you can announce it in the newspapers, it is certain, the decisions have been made. But three years later, the decisions are still pending.

Therefore, I blame the civil servants who do this sort of thing, or the Department of Public Works, as this increases the operating cost of the postal service. We are debating today a proposal for an increase in the postal rates because of all sorts of things of this nature. I could say a lot more on the subject.

I know many other things, but I shall not say more tonight. I would not want a public scandal.

All kinds of factors contribute to increase postal rates and hence the cost of living. And this is done everywhere. If it is done on a national scale in Canada, you can imagine how much it costs.

So, I ask the minister to work in co-operation with the Department of Public Works responsible for the construction of post offices. So the minister can certainly act, and ask for investigations. There are certainly some way to save, so that the people will pay reasonable rates. I repeat that senior officials are not serious, and do not fulfill their duty as they should, that is honestly and fairly. I do not condemn in any way the minister for this increase of postal rates.

As a conclusion to my remarks, I shall not go into details, because many other speakers have done so. I only meant to ask the minister to conduct serious investigations so that these abuses may end some day, that we may have more justice, and that the department might

offer a reasonable postal rate. It is desirable that services be paid for as long as there are no abuses. It is possible to find some solutions to this problem so that the minister might save as much public money as possible. The public can then expect better services, because if it is possible to reduce expenses, better services can be provided even though the Post Office Department should not be considered a national bank or the Bank of Canada.

Before closing I would like to say how much I admire the minister because he does his work well. I obtained answers to all my requests, and was given all kinds of assurances. He told me the truth and I admire him for it. He is fair and we can trust his word. He is not to blame for mistakes or nonsense which originate in other quarters. I ask him once again, with all due respect to him and the government, to do us justice, because it is not easy to understand some of the things that are happening.

[*English*]

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I gather that the House wishes to conclude the debate shortly with the remarks of the soon-to-be Postmaster General, so I shall be very brief. I should like to make a suggestion to the hon. gentleman. He need not reply tonight but perhaps he and his officials would consider it and an answer could be given when the matter comes before the committee.

The one specific complaint that I have about this legislation is that it would add to the financial burden of charitable organizations which raise much of their money by solicitation through the mail. While the amount involved may be small, some of the views that have been expressed to me, and no doubt to other members, indicate that for these organizations it is a pretty serious problem. I suppose an increase of even 10 per cent in the cost of raising money could put a tremendous strain on them. While the third-class mail rate normally applies in such cases, perhaps the time has come to adopt a more flexible position toward these charitable organizations because of the important work they do.

Perhaps the minister or his officials could think of some other designation for charitable organizations which raise money through solicitation by mail. I offer this as a suggestion to the minister, and perhaps after consulting his officials he will be able to give a considered reply when the matter comes before the committee.

Mr. Les Benjamin (Regina-Lake Centre): Mr. Speaker, I rise to oppose everything and anything the minister may suggest or propose in the form of a bill to increase first-class mail rates. It has already been said that first-class mail breaks even or makes money. Junk mail has also been mentioned. I suggest to the minister that if he is really concerned about reducing the deficits in the Post Office Department there are a couple of areas he should consider. I do not know if they have been mentioned already because I have not heard all the speeches in this debate.

• (9:50 p.m.)

The minister might consider the $1.5 million used to subsidize *Time* and *Reader's Digest,* those great "Canadian" publications with all their Canadian content. He might consider raising their mailing rates to reduce the deficit of the Post Office Department. As a good Canadian, as one who is concerned about the welfare and good order of the postal service in Canada and who is primarily concerned about reducing the deficits of the Post Office Department or reducing the cost to the public, the minister should pick up this $1.5 million quickly because he can do that without antagonizing the people of Canada or the members of the House.

There is a second item that the minister might consider. Let him look at the $3 million or $3.5 million cost to the postal department of Canada occasioned by the imbalance in mailing services as between Canada and the United States. This mail is carried under an international agreement many years old. The volume of United States mail crossing into Canada, in terms of number of pieces of mail, is much greater than Canadian mail handled by the United States postal department. This has resulted in an imbalance or a net cost to the Canadian Post Office Department of $3.5 million a year. If the minister wants to find another $3.5 million with which to reduce the deficit, he need only look at all the crap that is sent here from across the border.

An hon. Member: That's unparliamentary.

Mr. Benjamin: If he cannot negotiate better terms with the post office department of the United States to correct that imbalance, it is obvious and logical that the treasury of Canada should pick up the tab and not our first-class mail senders. I am wondering if the minister has considered that little piece of cake. We brought it to the attention of his predecessor but he pooh-poohed the idea.

If the minister is wondering why he has not been able to get the floor before ten o'clock, I will tell him. He has not listened to our suggestions. We might take another couple of nights and the minister still would not get the floor before ten o'clock. Unless he indicates to the members of the House and the people of Canada that he has considered the matter, he may not get the floor before ten o'clock in the next two or three weeks. That is not a threat, it is a promise. Has he looked into that situation yet? If so, what will he do about it? Here is a matter involving *Time* and *Reader's Digest* where $1.5 million could be saved. On the imbalance in postal deliveries between Canada and the United States, another $3.5 million could be saved. That is five million bucks, Mr. Speaker. It is five times C. D. Howe's expression. What is the minister prepared to do about these matters?

If the minister wants to get off the backs of the people, if he wants to cut net costs in the Post Office Department and for those who perform some kind of social service or function for their fellow citizens—here I am referring to the weekly newspaper and to charitable, social or paternal organizations such as the hon. member for Vancouver-Kingsway (Mrs. MacInnis) mentioned—he should not allow *Reader's Digest* to send their junk through the mail asking me to buy a book or a record every month. That is costing us money. If he stops it, he will not hear any argument from members of this House.

He should make that magazine pay more for bothering the Canadian people with stuff they do not ask for and do not want. The magazine sends out second, third and fourth reminders. They even send you a card with a number on it and tell you you have won a prize. We want the minister to say, "We will put up your mailing rate and make you pay whatever it costs the Post Office Department to handle all the junk that you send out." If the minister wants us to stop talking and allow him to get the floor and close the debate before ten o'clock, we will not do it, Mr. Speaker.

Mailing rates are to increase another cent for first-class mail on July 1 and another cent on January 1 next, bringing the rate up to eight cents. The rates for these magazines will not go up, yet each day they take up the time of the post office and the time of the community. The effort put out by the Post Office Department on these magazines is far out of proportion to what they are entitled to when one considers what they do.

I wish to cite another example. I recall that a publication was put out by the metropolitan Toronto policemen's association. It was a mimeographed, monthly newsletter, Mr. Speaker, and the association used to spend between $300 and $500 a year on postage. Their rate has now gone up by 400 per cent, so they do not send out the publication any more. Here was a perfectly legitimate, non-profit communication sent to a group of Canadian citizens who belonged to the association as a result of their occupation, and the minister "upped" their mailing bill. He did not "up" the mailing bill for *Time* and *Reader's Digest*. Those magazines must be candidates for social welfare because the Post Office Department still lets them get away with murder.

Unless the minister can come up with similar exemptions for publications such as I have mentioned, and until the treasury can pick up the deficit resulting from the imbalance in mail as between the United States and Canada, he need not ask us to hold still while he seeks to increase first-class postal rates. If you divide two into 42 you get 21. If old age pensioners send 21 additional letters, that will take up the 42 cents the government gave them when it increased the basic old age pension. How can the minister expect us to listen and wait with bated breath while he increases the first-class mailing rate? Until we have an assurance that the minister will say something about the items which have been mentioned, and until we have an assurance that he will deal with them seriously, we will hold up this bill.

An hon. Member: Until when?

Mr. Benjamin: Perhaps until July or August. This just does not wash, Mr. Speaker. You cannot justify an increase in first-class mailing rate so that we can pick up the tab for freeloaders who deal with the Post Office Department. You cannot justify an increase in the first-class mailing rate for people who have lost their rural mail delivery and their rural post offices and who now get mail once a week instead of three times a week. You cannot justify an increase in the first-class mailing rate until you have corrected some of the deficits we have mentioned.

What we have tried to say, and what I have said in the last few minutes, has been said several times by other hon. members during the last three years. No minister in charge of the Post Office has dealt with these issues. Until the minister deals with them we will not permit him to get away with increasing the first-class mailing rate. It is as simple as that. Why should the first-class mailing rate be so high when *Time* and *Reader's Digest* are sending out brochures asking people to buy more books, more records, and are offering prizes?

Mr. Speaker: Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

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

HOUSING—DECISION RESPECTING ROCHDALE COLLEGE, TORONTO

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, the record will show that I have been attempting for many months to obtain a full and satisfactory answer from the minister responsible for Central Mortgage and Housing Corporation on the question of an outstanding CMHC mortgage on Rochdale College in Toronto. In fairness to the minister involved I have taken into account the fact that during that period there were extenuating circumstances in the Rochdale account which have tended to complicate the matter. There is the fact that Rochdale masquerades as an educational institution and these institutions normally receive preferential or at least less rigid treatment from lending institutions.

However, the complications in the Rochdale account have been due largely to the attitude of the minister rather than to any points of law or any regulations with regard to amortization of CMHC loans. I submit to the minister that if the Rochdale loan had been made to me instead of to the college, the loan would have been foreclosed many months ago, the Canadian people would have their money back and they would have a building to cover the defaulted principal and interest payments.

I have watched the proceedings with respect to the Rochdale College loan over a period of many months and am deeply concerned over the way in which a loan of such magnitude has been permitted to fall 14 months in arrears. I am concerned that the minister has of his own will and accord chosen to view Rochdale College in a way that is inconsistent with the regulations under which CMHC is required to operate and totally inconsistent with sound business and management practices. If all Central Mortgage and Housing Corporation mortgages were serviced in a like manner it would not take long for an overactive imagination to conjure up a vision of complete and utter chaos in Central Mortgage and Housing Corporation operations.

• (10:00 p.m.)

By way of background I would like to read into the record—the specific figures of the Rochdale College mortgage. The approved loan was in the amount of $4,884,-165.90, a princely sum of money to risk on an experimental educational project to be run by its own students. The interest rate on the loan was very attractive at 5⅞ per cent per annum. As of April 30 this year the loan was in default by 14 months for a total of $359,853.37. During all my years in business I have neither seen nor heard of anything quite like it. I therefore feel justified in asking for a full explanation of this apparent disregard for the sanctity of the public purse.

Some hon. Members: Hear, hear!

Mr. Scott: One of my reasons for indulging in the past the minister's reluctance to answer my questions is that Rochdale is called a college and as such has been wearing a mantle of respectability that is totally undeserved. I have been, and am now, prepared to bend a little to accommodate educational institutions, but it has been evident for some time that Rochdale has been sailing under false colours. Almost from the day it opened, Rochdale College has been the symbol of everything that is wrong in our society. In the files of the Toronto police department there is evidence that Rochdale rivals Yorkville village as a haven for drug users and pushers, hippies and yippies, deviates and social misfits of every type and description.

There are recorded cases of underage, runaway children being lured into Rochdale and kept there for the depraved satisfaction of so-called students some of whom are as much as 35 years of age. By way of further clarification, to qualify as a student at this so-called college simply means that you can afford to pay the $80 per month single, or $50 double occupancy rate. There are no course requirements, no attendance requirements, no professors and no system of examination or grading.

I would like to make just a couple of brief, additional observations before I conclude. The first concerns an item in the Toronto *Globe and Mail* of May 21, 1971, wherein it was stated that Rochdale College accepts welfare cases from the city welfare department, some of them families with small children. I ask my hon. colleagues in this House, does this sound like a college? In days gone by it would have been called a flop-house and Central Mortgage and Housing Corporation, or any other government agency would have laughed at the thought of supporting such an institution with public funds. A few days ago the Toronto police department raided Rochdale College—not for the first time—and confiscated a quantity of marijuana, hashish and chemical drugs while arresting three students. As the police left the college they were pelted with eggs and refuse and subjected to verbal abuse.

In conclusion, I would like to assure the minister responsible for Central Mortgage and Housing Corporation that I am not asking him to assume the role of protector of public or private morality. However, I do expect the minister to exercise proper judgment in deciding who qualifies for Central Mortgage and Housing Corporation mortgages. Rochdale College is a rabbit warren where anything goes, and the more anti-social and uncivilized the better. I call upon the minister responsible for the Rochdale mortgage to recover the money involved and to put it back into the public coffers where some better use for it can be found.

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, in August, 1966, a loan of $4,844,165 was made to Co-operative College Residences Incorporated to assist in the construction of a students' residence, now known as Rochdale College, on Bloor Street in Toronto. The administration of Rochdale College has experienced great difficulty in generating sufficient revenues to pay all the operating costs of the building, including the National Housing Act mortgage. Up to the present time arrears in mortgage payments have accumulated to the extent of $340,000.

If the problem of Rochdale College were simply a mortgage problem, the solution itself would be a straightforward matter, involving action by Central Mortgage and Housing Corporation to recover the public investment in Rochdale and to assume responsibility for the management of the building. The problem of Rochdale College involves considerations other than a mortgage in arrears.

While many of the negative aspects of its administration have received the greatest attention, some of the more positive aspects of their program have not been established or understood, including the role that Rochdale plays in the lives of many young people in metropolitan Toronto. There are, therefore, both social and financial implications to consider in dealing with Rochdale College.

Nearly two months ago an interdepartmental committee was formed at the request of the minister responsible for Central Mortgage and Housing Corporation to consider and assess alternative courses of action by which the public investment in Rochdale may be protected. The committee is under the chairmanship of the president of Central Mortgage and Housing Corporation and includes representatives of the Privy Council office, the Department of National Health and Welfare, Secretary of State, Solicitor General and the Department of Finance.

In carrying out its work, the committee is considering all aspects of the Rochdale situation and in addition to the interested departments of the federal government the committee has met the council of Rochdale, representatives of the metropolitan Toronto corporation, the city of Toronto and departments and agencies of the Ontario provincial government. It is expected that the committee will report its findings through the responsible minister shortly.

YOUTH—CAPITAL ASSISTANCE FOR PROVISION OF YOUTH HOSTEL FACILITIES

Mr. John Burton (Regina East): Mr. Speaker, yesterday I asked the Minister without Portfolio in charge of citi-

zenship programs (Mr. Stanbury) the following question, as reported as page 6207 of *Hansard*:

In view of the large numbers of young people now travelling in Canada, is the government considering a program to provide capital assistance for youth hostel facilities?

I went on to explain that I asked this question owing to the fact that the current program is restricted to operational assistance. I was very much surprised when the minister answered my question in three words, namely, "No, Mr. Speaker". I should like briefly to review some of the factors involved in this brief exchange.

Over the last two or three years there has been a very sharp increase in the number of young people travelling across Canada and using a variety of means of unconventional travel, one might say. In particular, many young people are hitch-hiking their way across the country during the summer months, in this way seeing their country. One of the reasons they have taken to the roads is that they have a great deal of difficulty obtaining any sort of suitable employment, indeed any sort of employment at all in many cases.

Last year the government responded with its program of assistance for facilities for overnight accommodation for many of these travelling young people. This was of tremendous assistance for the most part. I understand use was made of government facilities such as armouries. This year a somewhat different tactic was adopted in respect of this program. A program was established to provide assistance to various communities and groups but the government decided to rely more heavily on local community initiative in the establishment of various facilities providing accommodation for young, travelling people.

• (10:10 p.m.)

One feature of the grants provided by the federal government under this youth hostel program is, as I indicated earlier—I refer now to a government statement issued by the department which was kindly supplied to me—that grants can cover salaries and operating expenses but cannot cover capital expenditures. That is a flat prohibition in respect of assistance for capital expenditures.

The reason I asked this question was not because I had any expectation the government had a program ready to announce yesterday, today or tomorrow, but because it seemed to me perfectly reasonable to expect that the department would now have looked at this problem from a long-range point of view. It is obvious that this new phenomenon is going to continue. It will be with us for some time and the department should be looking at it from a longer-range point of view.

I also want to make it clear that I am not suggesting we have to rely entirely or even primarily on government assistance or initiative for the establishment of permanent facilities for travelling young people. It seems to me the government does have some responsibility and could provide a very useful service if it took the initiative now in studying this matter and carrying on discussions with interested groups and people in order to arrive at a method whereby the federal government could provide assistance and encouragement to groups and communities who wish to establish permanent facilities and accommodation for young people who are travelling, particularly during the summer months.

I hope the minister will indicate tonight that his department intends to look at this matter with a view to developing some means to encourage discussion among communities across Canada and the development of means to provide stimulus for and encouragement of community efforts in the provision of satisfactory facilities.

I also asked a supplementary question concerning alternative means of assistance this year toward the provision of facilities in communities where difficulties have been encountered in obtaining approval from municipal authorities. The minister indicated there are a number of ways in which assistance can be provided to communities in this regard. I hope the department and the minister will take advantage of every possible opportunity to encourage communities to provide these facilities, and that they will in fact develop other possible means of communication with communities across Canada in order to arrive at satisfactory arrangements. I include MPs in this category.

I draw to the minister's attention that my colleague, the hon. member for Regina-Lake Centre (Mr. Benjamin), and myself issued a statement last week in which we indicated our unhappiness with certain developments in the city of Regina regarding a planned program there. Unfortunately, with regard to my own city the council saw fit to react on a short-term basis, with a short-run view of the situation in response to a request regarding the establishment of a local hostel. It seems to me that a little leadership by the council and interested parties could have been given to overcome the fears of the local citizens. In this way a satisfactory program might have been established which would in fact have benefited these young people. This could have been a credit to the city of Regina and Canada as a whole.

Thus, I hope the minister will look at these programs in terms of continuing the assistance undertaken over the past couple of years. I hope he will take a long-range view of this matter.

Hon. Robert Stanbury (Minister without Portfolio): Mr. Speaker, I thank the hon. member for raising this matter which is of considerable concern to me and to the citizenship branch. As the hon. member mentioned, last year the federal government for the first time undertook to assist communities to cope with the presence of transient youth and also to help young people travelling across our country find accommodation wherever they might be. This year we have doubled the budget for that kind of assistance, but we do not yet feel we have enough funds or enough information to launch a program of capital assistance. I hope, as I think the hon. member does, that some day Canada will have a national system of hostels, although not necessarily sponsored by the government. I hope, rather, that it would be in the hands of voluntary organizations as I believe is usually the case in European countries.

I feel, however, that those Canadians who seem to jealously guard the boundaries of their cities against the alien hordes of other young Canadians for elsewhere in Canada seem sometimes to have a sort of double standard. Very often these are the same people who are proudly sending off their own spunky children to hike about Europe.

Mr. Burton: That is right.

Mr. Stanbury: It has been our experience that the successful operation of a youth hostel or other service to travelling young people is in large measure dependent upon the attitude of the local community. For this reason our summer hostel program this year is one of response to local initiatives and one which attempts to involve as broad as possible a range of community groups. Naturally, we are interested in the attitude of the municipal councils although this is not the only criterion on which community initiatives can be judged. Through our regional offices we try to maintain close liaison with voluntary groups and municipal and provincial authorities in assessing local needs and developing our response to them.

We want to assist in every way possible in responding to the requests of local authorities and voluntary organizations. We are prepared to do that in Regina as elsewhere. I hope the people of Regina and their elected representatives will be able to make arrangements to accommodate the young Canadians who will be in Regina this summer, as other communities are doing in other parts of Canada.

Motion agreed to and the House adjourned at 10.20 p.m.

HOUSE OF COMMONS

Wednesday, June 2, 1971

The House met at 2 p.m.

PRIVILEGE

MR. HARDING—INCORRECT GLOBE AND MAIL REPORT RESPECTING VOTE ON PROPOSAL TO DEFER MEMBERS' PAY RAISE

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I rise on a question of personal privilege. A news report in today's *Globe and Mail* indicates that I voted against the proposal to put off a pay raise for Members of Parliament until the next election when in fact I voted in favour of it. The record is correctly shown in *Hansard* on page 6258 and lists me as having voted for the proposal to defer.

ROUTINE PROCEEDINGS

WELFARE

ESCALATION OF COST TO MUNICIPALITIES—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to present a motion on a matter of urgent and pressing necessity. This urgent matter arises because the federal and provincial welfare ministers meet next week in the midst of a welfare crisis which has grown so great that some municipalities in Canada are driven to strike single unemployed men from their welfare rolls. The House has been unable to get assurances from government spokesmen that this problem will be discussed at this closed conference. I therefore move, seconded by the hon. member for Simcoe North (Mr. Rynard):

In view of the agonizing choice which municipalities in all regions of Canada must make between assuming the impossible financial burden of the unprecedented escalation of welfare costs due to the inequitable welfare cost-sharing arrangements and, on the other hand, refusing welfare payments to increasing thousands of deserving unemployed victims of the government's unemployment and inflation policies, this House urges the government to place this welfare crisis on the agenda of the federal-provincial welfare meeting next week, recommends that in addition to the federal Minister of National Health and Welfare and the provincial welfare ministers there be present those other federal government ministers who are charged with responsibilities related to welfare and employment, representatives of the Federation of Mayors and Municipalities, and representatives of the National Welfare Council, and declares that the primary objective of the conference must be to construct a crash remedial program which the three levels of government can put into immediate force and effect.

Some hon. Members: Hear, hear!

Mr. Speaker: Order, please. The House has heard the motion proposed by the hon. member under the terms of Standing Order 43. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent and the motion will not be put.

Mr. McCleave: Mr. Speaker, on a question of privilege, could I ask which "no, no" said no?

Mr. Speaker: Order, please.

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OIL

PROPOSED WEST COAST TANKER ROUTE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I ask for the unanimous consent of the House to present a motion under Standing Order 43 which I believe could be passed without debate. The view expressed in my motion has been stated by spokesmen for all parties in the House and I believe it would be useful for it to be formally recorded. Therefore I move, seconded by the hon. member for Broadview (Mr. Gilbert):

• (2:10 p.m.)

That the House express its opposition to the proposed oil tanker route from Valdez, Alaska to Cherry Point in the state of Washington, and that this decision of the House of Commons be transmitted to the United States government through official channels.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Kootenay West. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

Questions

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

CONTENTS OF EFFLUENT FROM PULP AND/OR PAPER MILLS IN BRITISH COLUMBIA

Question No. 388—**Mr. Howard (Skeena):**

1. Since May 8, 1970, has the government any data concerning the contents of effluent from any pulp and/or paper mills in British Columbia and, if so, with respect to each such mill, by name, what is the daily quantity of each chemical, by name, that is contained within the effluent from each such mill?

2. What evaluation exists of the toxicity to (a) fish (b) other animal life (c) plants (d) humans of each such chemical referred to in Part 1?

Mr. Eymard Corbin (Parliamentary Secretary to Minister of Fisheries and Forestry): 1. The Government has compiled a mass of data concerning the effluent from the pulp and/or paper mills of British Columbia. Data relating to chemical constituents of the effluents have been regularly forthcoming from four mills and are tabulated below by name:

Average Daily Chemical Discharge in Pounds

Company	Sulphides	Mercaptans	Resin Acid Soaps
Prince George Pulp and Paper Co.	30	270	330
Intercontinental Pulp Co.	29	320	950
Northwood Pulp Co.	260	750	1130
Kamloops Pulp and Paper Co.	Trace	Trace	96

2. (a) The sulphides, mercaptans and resin acid soaps listed above are among the constituents of pulp mill effluents known to be toxic to fish, but bioassays carried out on effluents from the mills indicate that they are not present in high enough concentrations to produce a toxic effect. (b) Studies conducted by B.C. Research and the International Pacific Salmon Fisheries Commission on invertebrates in the Fraser River have shown that the numbers of species and relative abundance of each of the species are not different above or below pulp mill effluent discharges. Such changes are one of the most subtle indicators available of environmental deterioration, when they can be detected. (c) Studies conducted by Kamloops Pulp and Paper Company and the Salmon Fisheries Commission have noted no difference in the plankton population of Kamloops Lake as a result of pulp and paper mill operations. (d) The Government is not aware of any report of toxicity to humans of pulp mill waste in water.

NATIONAL HEALTH AND WELFARE—MINISTERIAL GRANTS TO ORGANIZATIONS IN CALGARY

Question No. 1,272—**Mr. Schumacher:**

1. During the fiscal year 1970-1971, was a special ministerial grant made by the Department of National Health and Welfare to any organization or organizations in the City of Calgary and, if so (a) what was the purpose of each grant (b) have the purposes of each such grant been accomplished and, if so, in what manner?

2. What is the purpose of each organization?

3. (a) Have any provisions been made for the auditing of the books of such organizations (b) have audits been made and, if so, by whom?

4. What are the names and positions of the executive members of each organization?

Hon. John C. Munro (Minister of National Health and Welfare): 1. The Department of National Health and Welfare awarded a demonstration project grant to the Calgary Welfare Rights Society in the City of Calgary. (*a*) The purpose of the grant is to demonstrate whether welfare recipients can achieve a greater degree of independence and improve their ability to manage their own lives and solve their own problems if they are enabled to have a meaningful role in the identification of their own problems and needs and a say in how assistance and services are provided to help them cope with their problems and needs. (*b*) The demonstration is in progress, consequently it is not possible to determine whether the objectives of the demonstration have been accomplished.

2. The purpose of the organization is to promote participation of poor people in programs developed to meet their needs; to act in an advocacy role for welfare recipients; to promote self help activities among welfare receipients.

3. (*a*) Yes. (*b*) Interim audits have been undertaken by the Audit Services bureau, Department of Supply and Services, in conformity with the terms and conditions of the National Welfare Grants Rules.

4. Executive members of the organization are: President, Daphne Davison; Vice Chairman, Shirley Fyke; Recording Secretary, Linda Mullins; Correspondence Secretary, Charlotte Rasmussen; Treasurer, George Sandilak; Directors, Ted Flakman, Alec Tiermeu, Bob Cox, Judy Todd, Bill Best and Alan Knowles.

NEWFOUNDLAND—FEDERAL ASSISTANCE TOWARDS COST OF PROPOSED GENERAL HOSPITAL

Question No. 1,340—**Mr. Carter:**

Has the Government of Canada received an application from the Government of Newfoundland for a capital contribution toward the cost of the proposed new General Hospital and, if so (a) what was the date of the application (b) for what amount (c) what is the present status of the application?

[Mr. Speaker.]

Hon. John C. Munro (Minister of National Health and Welfare): No application was received as of this date from the Government of Newfoundland requesting federal financial support under the Health Resources Fund program towards the cost of the proposed new General Hospital in St. John's.

CANADA MANPOWER MOBILITY PROGRAM—APPLICATION OF MR. T. R. WALLACH

Question No. 1,408—**Mr. Aiken:**

1. Has an application by T. R. Wallach of Ancaster to the Canada Manpower Centre at Hamilton for a moving and resettlement grant in June, 1970, been refused and, if so (a) what jobs, if any, were offered to Mr. Wallach between the time of registration in February, 1970 and the time of application in June, 1970 (b) did the Canada Manpower Office at Hamilton secure a job for Mr. Wallach in Bracebridge, Ontario and is he still so employed (c) for what reason?

2. In June, 1970, what employment in the sales field was available in Hamilton or area, for which Mr. Wallach was qualified and suited?

3. If an applicant for assistance under the Manpower Mobility Program has a firm employment offer in a new Manpower area, how long is he required to continue to look for employment in his home area before qualifying for assistance?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. Yes. (*a*) None, although had Mr. Wallach been willing to accept employment as a commission salesman in Hamilton, he could have been referred to a number of positions, one being with the same firm with which he is now employed in Bracebridge. (*b*) (i) No;(ii) Yes. (*c*) Mr. Wallach was refused a mobility grant because suitable local employment was available.

2. Six employers had listings of vacancies in Mr. Wallach's registered occupation.

3. The first condition of eligibility for a grant under the Manpower Mobility Regulations is that an unemployed, about to become unemployed or underemployed worker must have little or no prospect of obtaining suitable employment in the locality in which he resides. The Canada Manpower Centre concerned is responsible for making appropriate enquiries to determine whether or not the client satisfies this condition at the time he requests a mobility grant. This can usually be done the same day that the request is received.

MOISTURE PICK-UP CONTENT OF BROILER CHICKENS

Question No. 1,453—**Mr. Mazankowski:**

1. Is the moisture pick-up content of broiler chickens processed for the retail market in Canada controlled and, if so (a) what limits of moisture are allowed (b) what department or agency is responsible for the enforcement of these regulations?

2. Have any charges been laid with respect to the breach of these regulations and, if so, what was the disposition of each such charge?

Hon. H. A. Olson (Minister of Agriculture): 1. Yes. (*a*) The percentage increase in weight over the weight of the bird prior to washing for chickens five pounds and under can be eight per cent. For chickens over five pounds the gain in weight can be six per cent; (b) The Department of Agriculture is responsible for the enforcement of the Regulations made pursuant to the Canada Meat Inspection Act.

2. No charges have been laid with respect to a breach of the relevant section of the Regulations.

*MEADOW LAKE, SASK.—INCENTIVE GRANT FOR PULP MILL TO BE CONSTRUCTED

Question No. 1,472—**Mr. Burton:**

Has the Department of Regional Economic Expansion dispatched a letter of offer with respect to an industrial incentive grant for a pulp mill to be constructed in the special area located at Meadow Lake, Saskatchewan and, if so (a) on what date (b) to whom?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): The answer is yes. The answer to part (a) is May 17, 1971, and to part (b) it is the Hon. D. G. Steuart.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

NEWFOUNDLAND—TENDERS FOR COST-SHARING FEDERAL-PROVINCIAL PROJECTS

Question No. 1,012—**Mr. Carter:**

1. Have public tenders been called for all cost-sharing federal-provincial projects in Newfoundland since 1965 and, if not, what projects were excluded and for what reasons?

2. Are tenders opened publicly?

Return tabled.

PEI—FEDERAL EXPENDITURES UNDER DEVELOPMENT PLAN 1971-72

Question No. 1,099—**Mr. MacLean:**

What are the estimated expenditures to be made by the federal government under the Development Plan for Prince Edward Island in the 1971-72 fiscal year?

Return tabled.

PUBLIC SERVICE—DESIGNATION OF EMPLOYEES IN MANAGERIAL OR CONFIDENTIAL CAPACITY

Question No. 1,193—**Mr. Francis:**

As of March 1, 1971, in that portion of the Public Service represented by Treasury Board as an employer, how many employees were designated as persons to be employed in a managerial or confidential capacity (a) in each of the 73 occupational groups (b) by sub-head for each occupational group as described in section 2 (u) of the Public Service Staff Relations Act?

Return tabled.

Motions for Papers

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so kind as to call Notice of Motion No. 154?

BLUE WATER BRIDGE AUTHORITY FINANCIAL RECORDS

Motion No. 154—**Mr. McCutcheon:**

That an humble Address be presented to His Excellency praying that he will cause to be laid off before this House (a) a copy of all reports of receipts and disbursements filed annually by the Blue Water Bridge Authority since May, 1964 pursuant to section 19(2)(a) of the Blue Water Bridge Authority Act (b) a copy of all auditors' reports and statements relating to every audit of the accounts of the Blue Water Bridge Authority, including any report or statement of the Auditor General of Canada (c) a copy of all cheques or other papers covering reimbursement out of the revenues of the Authority to each of the several Canadian members of the Authority for travel, living and other necessary expenses.

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, in accordance with the requirements and responsibilities of the Canadian government, certain financial information, mainly with respect to tolls, has been submitted to the government by the Blue Water Bridge Authority under the provisions of the Railway Act. No additional request for financial information has been made to date under the enabling authority contained in the Blue Water Bridge Authority Act, section 19(2)(a). Therefore parts (b) and (c) are not applicable. Under the circumstances I would ask the hon. member to withdraw his motion.

Mr. McCutcheon: Mr. Speaker, the parliamentary secretary has really only read an answer to question No. 415. The request for papers, etc., under Notice of Motion No. 154 has not been answered, and I cannot agree to his suggestion.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate. Shall the remaining Notices of Motions stand?

Some hon. Members: Agreed.

Mr. Burton: Mr. Speaker, could I ask the parliamentary secretary if he would look into motion No. 234 which is a relatively simple motion to deal with? I have had some discussion with the department and I introduced this motion in substitution for one which I withdrew from the order paper. I would also ask the parliamentary secretary to look into motion No. 232 which was approved by the House on May 19 but which has not yet been tabled.

Mr. Jerome: I have made a note of those numbers, Mr. Speaker.

[Mr. Francis.]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

MANUFACTURERS' INVESTMENT INTENTIONS FOR 1971—GOVERNMENT PLANS FOR ENCOURAGEMENT

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to direct a question to the Minister of Finance with respect to the expectations of manufacturers regarding investment in light of the government survey showing that for the year 1971 there would be a decrease of 6 per cent from 1970, the survey having been completed in December. Has the minister had any more recent surveys made of the investment intentions of manufacturers and, if so, what do such surveys show?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, these are ordinarily done through the Department of Industry, Trade and Commerce. I will inquire and provide the information.

Mr. Stanfield: Mr. Speaker, since the Minister of Finance has no such information showing any improvement with regard to the investment intentions of manufacturers, does he propose to announce any plans, or has he any plans, to encourage investment by manufacturers which, of course, has a very important bearing on the employment outlook for the remainder of 1971?

Mr. Benson: Mr. Speaker, the intentions of the Department of Finance on fiscal matters will be made known in my budget when it is presented.

Mr. Stanfield: Mr. Speaker, we will look forward to something really constructive in that area.

REGIONAL DISPARITY—DECISION ON ATLANTIC PROVINCES DEVELOPMENT COUNCIL RECOMMENDATIONS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, as a supplementary question I would like to ask the Minister of Regional Economic Expansion whether he is now prepared to give a favourable answer to the requests put forward by the Chairman of the Atlantic Development Advisory Council, Professor Smith, with regard to an appropriate federal policy to fight regional disparity? I ask him that question particularly at this time in view of the dissatisfaction expressed recently by the people of Nova Scotia in this regard.

[*Translation*]

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the recommendations of the Atlantic Advisory Development Council presided over by Mr. Smith are generally accepted by the department and we intend to carry out its general recommendations.

[*English*]

SUPERVISION BY PRIME MINISTER OF PREPARATION OF BUDGET

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. As the DBS report referred to by the Leader of the Opposition also shows that business failures are up very sharply over a year ago, and instalment financing, farm cash receipts and bank loans are down equally sharply over a year ago, giving further evidence of the serious state of the economy—

Mr. Speaker: Order, please.

Mr. Hees: —is the Prime Minister—

Mr. Speaker: Order, please. Would the hon. member kindly ask the question?

Mr. Hees: Mr. Speaker, I am just telling the Prime Minister what has been going on in his country while—

Mr. Speaker: Order, please. The hon. member might want to do this on another occasion but he cannot do it during the question period. He should ask a question.

Mr. Hees: Thank you, Mr. Speaker. Is the Prime Minister giving personal supervision to the preparation of the budget, because of the factors I have mentioned and the serious state of the economy, to make sure it is an expansionary budget that will give some stimulus to the economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the considerations in preparation for the budget are discussed in a cabinet committee, and I am a member of that committee.

Mr. Hees: As a supplementary—

Mr. Speaker: Order, please.

Mr. Hees: —will the Prime Minister show more intelligent—

Mr. Speaker: Order, please. The hon. member for Oshawa-Whitby.

UNEMPLOYMENT IN NOVA SCOTIA—ASSISTANCE IN BRINGING COLLIERY INTO PRODUCTION IN SYDNEY AREA

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I wish to direct a supplementary question to the Minister of Regional Economic Expansion. Because of the particularly high unemployment level in the province of Nova Scotia, a short time ago I asked the minister if he would look into the possibility of bringing a particular colliery into production in the Sydney area and he said he would do so and report back to the House. Would he now comment on what he has discovered?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I will be in the House again tomorrow and I think I will be able to give an answer then.

Inquiries of the Ministry

UNEMPLOYMENT—PROGRAMS TO ASSIST UNIVERSITY GRADUATES TO FIND JOBS

Mr. David MacDonald (Egmont): Mr. Speaker, I wish to direct a supplementary question to the Minister of Manpower and Immigration. In view of the Technical Service Council's calculation that job opportunities for new graduates are down by 30 per cent and the number of graduates is up by 17 per cent, can the minister inform the House what measures are being undertaken to encourage industry in this regard and, more specifically, what programs the department presently has under way to provide assistance, whether in terms of incentives or other measures, to help these graduates now on the full-time labour market to find positions?

Mr. Speaker: Order. The minister's reply, if he decides to reply to the question asked by the hon. member for Egmont, should be brief. I suggest he should not attempt to give a general statement at this time.

Mr. MacDonald (Egmont): As a further supplementary—

Mr. Speaker: Order, please. Hon. members will notice that there are a number of members seeking the floor to ask supplementaries on this subject. I suggest to the House that we should go on to the next subject very soon and return later to hon. members who have indicated they wish to ask supplementaries, but for the moment the Chair has recognized the hon. member for Egmont.

Mr. MacDonald (Egmont): Mr. Speaker, in view of the fact that the Minister of Manpower and Immigration is either unwilling or unable to answer, perhaps I could put a similar question to the Minister of Regional Economic Expansion. In view of regional estimates which indicate that career hiring of new graduates is down 82 per cent in the Atlantic region, can the minister inform the House if there are any special measures being planned, or ready to be implemented, to alleviate this serious situation?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Are you referring to the Minister of Manpower and Immigration?

Mr. MacDonald (Egmont): Mr. Speaker, I am referring to the Minister of Regional Economic Expansion and inquiring about what steps his department is taking with regard to the abnormally high incidence of unemployment among graduates in the Atlantic region right now?

[*Translation*]

Mr. Marchand (Langelier): Mr. Speaker, the various programs in effect in the Atlantic provinces—whether it is F.R.E.D., ARDA, the development programs for designated areas or industrial incentives—are all meant to create more economic activity and employment in the area.

[*English*]

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre.

Inquiries of the Ministry

Mr. MacDonald (Egmont): On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. The hon. member for Egmont is rising on a point of order. Order, please. I will recognize the hon. member in a moment, but I invite hon. members not to take up too much of the time of the question period with points of order. Very often I find that points of order really are used to ask supplementary questions. It might be preferable if hon. members awaited the opportunity to be recognized a second time. The hon. member has the right to seek the floor on a point of order and I have recognized him.

Mr. MacDonald (Egmont): On the point of order, Mr. Speaker, there seems to be some problem of communication. Perhaps it would be worth while for Your Honour to check whether the hearing devices are working on the other side of the House as the Minister of Manpower and Immigration was unable to answer and then the Minister of Regional Economic Expansion—

Mr. Speaker: Order, please. That is not a point of order; it appears to be a point of disorder—disorder of the system. The hon. member for Winnipeg North Centre.

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LABOUR CONDITIONS

UNEMPLOYMENT DECLINE PREDICTED BY MINISTER OF FINANCE—DATE OF ACHIEVEMENT OF MORE TOLERABLE LEVEL

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the statement attributed to the minister in yesterday's issue of the Toronto *Telegram* to the effect that unemployment figures will decline, may I ask if he is prepared to make a statement on this matter in the House and can he tell us by what date unemployment figures will be down to more reasonable and more tolerable levels?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I will be presenting a budget to the House of Commons very soon and shall discuss this particular problem at that time. I am sure my hon. friend would join me in indicating a belief that unemployment figures will decline in the country, even though this displeases the opposition.

Mr. Knowles (Winnipeg North Centre): A supplementary question, Mr. Speaker. Is the minister in a position to announce the target date he has in mind for a reasonable reduction in the unemployment level?

Mr. Stanfield: 1975.

Mr. Benson: As soon as possible, Mr. Speaker, and hopefully immediately.

[Mr. Speaker.]

THE BUDGET

INQUIRY AS TO DATE OF PRESENTATION

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, can the Minister of Finance indicate on what date the budget will be introduced in the House?

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Apparently the minister has a very important statement to make.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, as Your Honour seemed to imply by his cancellation of an invitation to a party, it will be on June 18, I believe, at five o'clock.

Mr. John Burton (Regina East): I should like to ask a supplementary question of the Minister of Finance. Would the minister inform the House whether his newfound responsiveness to policy suggestions as caricaturized on the CBC television program "Operation Chicken" last Sunday night is the real thing or is it simply a modern day fairy tale of Scrooge and the Christmas Carol?

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. May I ask the Minister of Finance if he got his information about unemployment improving from now on from the same source that made him say at the beginning of the year that we had rounded the corner on unemployment?

* * *

[*Translation*]

FINANCE

FINANCING OF CONSTRUCTION OF MOSCOW SUBWAY—DEVELOPMENT OF PUBLIC SECTOR PROJECTS THROUGH BANK OF CANADA

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Prime Minister.

While in Russia, was the Prime Minister given an opportunity to visit one of Russia's wonders, the Moscow subway, 70 miles long, and whose construction was made financially possible, interest-free, through the National Bank of Russia?

Mr. Speaker: Order. I think that the hon. member's question could easily be put on the order paper.

Mr. Caouette: Mr. Speaker, I should like to put a supplementary.

Mr. Speaker: Order. The hon. member might put his question on the order paper.

Mr. Caouette: Mr. Speaker, I wish to ask a supplementary question which could not very well be put on the order paper.

If the Prime Minister knows of this method of financing, would he not be tempted to do the same with regard to the development of the public sector of the Canadian economy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I did not visit the Moscow subway on my last visit because I had already seen it in 1952, several years before the hon. member. However, I visited the Leningrad subway which was financed the same way as we have financed the dredging of the St. Charles River, Expo '67 and several other undertakings, namely, from federal funds.

* * *

[*English*]

AIRPORTS

TORONTO INTERNATIONAL—CONTRACT TO EXPAND TERMINAL 2—PLANS FOR SECOND MAJOR FACILITY

Mr. S. Perry Ryan (Spadina): Mr. Speaker, in the absence of the Minister of Transport, whose day it is to be in the House, may I direct my question to the Prime Minister. As a $13.5 million contract to expand Terminal 2 at Toronto International Airport in a major way was announced yesterday, can the Prime Minister assure the House that the government has not abandoned plans for a second major airport in the Toronto area?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, this contract which was announced recently has to do with a decision the government took a couple of years ago to expand the present facilities in Toronto. It has nothing to do with our plans for a future airport in the Toronto region.

Mr. Ryan: Does the Prime Minister still expect that the second Toronto area airport will be ready for the year 1975, as originally announced by the Minister of Transport? If not, when may we expect it to be finished and in operation?

Mr. Knowles (Winnipeg North Centre): As soon as possible.

Mr. Trudeau: Mr. Speaker, on the timing I think I would have to refer the matter to the Minister of Transport who could answer more precisely the hon. member's question. I know that the minister has been involved in discussions with the Toronto authorities and the authorities of the province of Ontario for many, many months now in the hope that we would reach agreement on the site of that airport. However, I would say that if agreement is not reached rather soon the traffic will not go to Toronto in 1975 but will go to Montreal, provided the Ste Scholastique airport can get off the ground.

An hon. Member: No wonder Givens quit.

Mr. A. D. Hales (Wellington): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Will the same cost-sharing arrangements for capital costs involving such items as sewage, pollution, water, etc. be entered into with the province of Ontario as were entered into with respect to the airport at Ste Scholastique, Quebec?

Mr. Trudeau: Mr. Speaker, I am not aware of the details of the discussion which is proceeding now between the department and the Ontario authorities.

Inquiries of the Ministry

IMMIGRATION

EFFECT OF LAW ON WORK OPPORTUNITIES FOR CANADIAN PERFORMERS

Mr. Mark Rose (Fraser Valley West): Mr. Speaker, my question is directed to the Minister of Manpower and Immigration. It concerns the employment, or rather the unemployment, of Canadian artists and performers and is currently a matter of urgent consideration because the Pacific National Exhibition grandstand show for our British Columbia centennial year is going to employ mostly American performers. I asked on February 5, 1970, if the Minister of Manpower and Immigration was doing anything about making our immigration laws such that they would offer more protection to Canadian performers. I was told at that time that discussions were going on. Can the minister tell us if any decision has been made between the government of Canada and the government of the United States regarding the lack of reciprocity with respect to the immigration laws of the two nations?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, no decisions have been taken but the matter is continuing to be reviewed. We are, of course, conscious of the important relationships between the United States and Canada in the total field involving the temporary movement of people across the borders. It is in this light that the matter is being discussed.

Mr. Rose: A supplementary question, Mr. Speaker. This will be a much shorter question. The then minister replied: "If these discussions fail I believe we will have to consider some alternatives." That was over a year and a half ago. Would the minister be kind enough to tell the House what alternatives he is considering?

Mr. Speaker: Order, please. The hon. member for Mackenzie.

* * *

EXTERNAL AFFAIRS

VALIDITY OF RUSSIAN VERBAL ASSURANCE RESPECTING PURCHASE OF CANADIAN WHEAT

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, may I direct a question to the Prime Minister. Will the verbal assurance the Prime Minister had from Premier Kosygin that Russia will give preference to Canadian wheat be any more binding than the written agreement which according to some interpretations is not worth the paper it is written on inasmuch as Russia has not lived up to it and has not picked up the 52 million bushels of wheat?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, it seems to me that this is an argumentative question as to which is more binding—

An hon. Member: It is the Speaker who rules on that.

Mr. Trudeau: Thank you. I will let him do it.

Mr. Korchinski: A supplementary question, Mr. Speaker. I wonder whether the Prime Minister felt that the verbal agreement was more binding than the written

agreement which the Russians have not lived up to? Can he give us that assurance at this time?

Mr. Speaker: The hon. member is repeating the question he asked in the first instance.

POSITION OF SOVIET UNION ON CURTAILMENT OF FISHING OPERATIONS OFF EAST COAST OF CANADA

Mr. Lloyd R. Crouse (South Shore): I wish to direct a question to the Prime Minister. The International Commission for the Northwest Atlantic Fisheries at its meeting in Halifax has confirmed that heavy exploitation is destroying the Atlantic fisheries. In his private talks with the Russian leaders did the Prime Minister obtain any indication that they were aware of the need for conservation measures on our offshore banks and did they inform the Prime Minister what efforts would be made by the Russian state-owned fleet to curtail some of their fishing operations?

Right Hon. P. E. Trudeau (Prime Minister): If the member will refer to my statement of last Friday, Mr. Speaker, he will see that I dealt with this question.

CANADIAN PROPOSALS TO ICNAF NATIONS RESPECTING FISHERIES QUOTAS

Mr. Louis-Roland Comeau (South Western Nova): I have a supplementary question for the Prime Minister. Has Canada made any proposals to the ICNAF nations concerning quota systems and will the Prime Minister table such proposals in the House?

Right Hon. P. E. Trudeau (Prime Minister): Concerning what systems, Mr. Speaker?

Mr. Comeau: Quota systems, as announced by his minister.

Mr. Trudeau: I still do not understand what systems, Mr. Speaker.

Mr. Comeau: You don't know about fish?

PROPOSALS TO SOVIET UNION RESPECTING OPERATIONS OF RUSSIAN FISHING VESSELS IN CANADIAN COASTAL WATERS

Mr. John Lundrigan (Gander-Twillingate): Will the Prime Minister indicate to the House whether the government plans to make any formal proposals to the Soviet Union, following the informal discussions he had with Premier Kosygin, in order to try to ensure the withdrawal of the Soviet fleet to a certain extent from the waters off our coast or at least the placing of a ceiling on the technology they apply to the east coast fishery?

Right Hon. P. E. Trudeau (Prime Minister): As I said last Friday, Mr. Speaker, we agreed that both sides have the same long-run interests, and it will be necessary to have further meetings to try to convince them of our point of view.

[Mr. Korchinski.]

Mr. Lundrigan: Can the Prime Minister tell the House whether the government plans to make any formal follow-up to the informal discussions he had in the Soviet Union with regard to quotas, to which the hon. member for South Western Nova referred, the closing of certain areas and other kinds of conservation measures?

Mr. Trudeau: We signed the protocol in order that we would have this frequent and regular contact with the Soviet authorities. I told the House that I intended to have this subject followed up. Therefore that is what we will do.

* * *

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to direct a question to the Minister of Indian Affairs and Northern Development.

Since the minister took part in the Monday election in Trois-Rivières and was responsible for it, can he indicate whether he intends to see to it that the ladies of the Trois-Rivières constituency get the hot pants promised to them by the hon. member for Mercier (Mr. Bélanger) if the Liberal candidate was elected?

[*Later:*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): While I am up, Mr. Speaker, I should like to answer the hon. member for Shefford.

I do not know whether the member for Mercier made those kind of promise, but they certainly would make more sense than the promises made by the Social Credit members.

* * *

[*English*]

CANADIAN CONSTITUTION

ATTITUDE OF PROVINCES REGARDING REALLOCATION OF POWERS RESPECTING SOCIAL WELFARE, MANPOWER, AND UNEMPLOYMENT INSURANCE

Mr. G. W. Baldwin (Peace River): I have a question for the Minister of Justice. As a result of the minister's discussions with the provincial Attorneys General and other provincial officials, can the minister advise whether any of the provincial governments are prepared to adopt a new section 94A of the British North America Act containing a reallocation of powers dealing with such things as social welfare, manpower and unemployment insurance?

Hon. John N. Turner (Minister of Justice): I cannot answer that specifically, Mr. Speaker, except to say it was one of the prime subjects of discussion.

Mr. Baldwin: In its dealings on this subject, is the federal government prepared to accept such a reallocation of powers?

Mr. Turner (Ottawa-Carleton): The whole issue remains to be determined by the first ministers in Victoria.

[*Translation*]

FEDERAL-PROVINCIAL CONFERENCE

ANNOUNCEMENT OF AGENDA

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I would like to ask the Prime Minister a supplementary question.

Following discussions between the Minister of Justice and the provincial Attorneys General, an agreement has been reached on the subjects to be included on the Victoria conference agenda. In the interest of the Canadian public, will the Prime Minister reveal, before the conference, the agenda to be discussed by the premiers and the federal government?

Right Hon. P. E. Trudeau (Prime Minister): Of course, Mr. Speaker, as I said yesterday we shall divulge the agenda as soon as the participants have all approved it. I explained to the House yesterday that I had not received written replies from all the premiers. My staff is getting in touch with those who have not yet answered at least to obtain an oral approval. As soon as this is secured, we shall make the agenda public.

Mr. Asselin: Mr. Speaker, I should like to put a supplementary question.

Can the Prime Minister tell the House when he intends to make that statement about the Victoria conference agenda?

Mr. Trudeau: As soon as the premiers of the provinces have reached an agreement, Mr. Speaker.

* * *

[*English*]

CANADIAN CONSTITUTION

NATURE OF DISCUSSIONS BETWEEN MINISTER OF JUSTICE AND BRITISH OFFICIALS—PROVINCIAL AGREEMENT ON AMENDING FORMULA

Mr. Eldon M. Woolliams (Calgary North): I wish to direct a question to the Minister of Justice. When the minister was in Britain discussing the patriation of the constitution, did he assure the British officials at that time that he or his government had an agreement with the provinces with reference to the veto part of the amending formula? Was that part of the discussions he had with the British authorities?

Hon. John N. Turner (Minister of Justice): When I was in London last week I discussed with the Lord Chancellor of the United Kingdom and the Attorney General the details of any possible patriation of the Canadian constitution—if there were—any successful conclusion of the discussions between the first ministers at Victoria. During these discussions, therefore, the ministers and officials of the United Kingdom knew that what we were talking about depended on a successful conclusion of the negotiations in Canada.

Mr. Woolliams: This brings me to the second supplementary that I directed to the Prime Minister yesterday. Maybe the Minister of Justice can give us the answer. In his discussions with the provincial premiers of the Prairie provinces, did the Minister of Justice receive the assurance that they agree to the veto formula at this time and will agree to it at the conference in Victoria?

Mr. Turner (Ottawa-Carleton): I do not accept the description that the hon. member chooses to place upon the formula. At Victoria the first ministers will decide whether or not they will accept a formula for amendment of the constitution, patriation and other important elements that will be part of the same discussion.

Mr. Woolliams: One further supplementary. This should clear up the matter. Whatever the Minister of Justice calls it, a veto formula or a formula for amendment, have there been objections from Premier Thatcher or any other prairie premier with regard to that particular amending formula at this stage?

Mr. Turner (Ottawa-Carleton): I had the privilege of discussing the formula for the purpose of obtaining a consensus for amendment with all the first ministers of Canada. Mr. Thatcher made his views known to me. I hope he will be able to attend the conference or, if not, be represented in Victoria so that the views of Saskatchewan can be expressed in the discussion.

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CRIMINAL CODE

LOOPHOLE RESPECTING OFF-TRACK BETTING—REPRESENTATIONS BY ONTARIO

Mr. John Gilbert (Broadview): My question is for the Minister of Justice. Has the minister been contacted by the Attorney General of Ontario or any of his officials with regard to doing something about the loophole in the Criminal Code with regard to off-track betting? If so, what does he intend to do about this?

Hon. John N. Turner (Minister of Justice): As a member of the Standing Committee on Justice and Legal Affairs the hon. member knows that I gave an undertaking to that committee to discuss the question of off-track betting, placing bets through paramutual windows, with the provincial Attorneys General. I fulfilled that undertaking to the standing committee. I discussed the issue with all the Attorneys General in Halifax last July. There was not a consensus among the Attorneys General at that time. I am again writing to all the Attorneys General to ascertain their current views on the subject. I do not intend to bring the matter back to the House until I have those opinions.

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NORTHERN AFFAIRS

NORTHWEST TERRITORIES—ASSURANCE THAT CHARGES WILL NOT BE LAID AGAINST PERSONS TAKING MIGRATORY BIRDS FOR LIVELIHOOD

Mr. R. J. Orange (Northwest Territories): I have a question for the Minister of Indian Affairs and Northern

Development. In view of the renewed enforcement of the Migratory Birds Convention Act in the Northwest Territories by game officers and others following a three-year moratorium, can the minister say whether he is prepared to undertake the necessary discussions with his cabinet colleagues to ensure that no charges are laid against those who depend on the taking of migratory birds, particularly at this time of the year, for their livelihood?

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): I thank my hon. friend for bringing this question to my attention. I was not aware of this situation but I will be happy to look into the matter and make sure that the northern people do not suffer from that situation.

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TRANSPORT

REVIEW BY GOVERNMENT OF FERRY RATE INCREASES IMPOSED BY CANADIAN NATIONAL RAILWAYS IN MARITIMES

Mr. James A. McGrath (St. John's East): Mr. Speaker, this question is directed to the Prime Minister. Is the Prime Minister prepared to give an undertaking to the House, especially to hon. members from Prince Edward Island and Newfoundland, that the government will review the inflationary and unwarranted increases in ferry rates imposed by Canadian National Railways recently?

Right Hon. P. E. Trudeau (Prime Minister): I will take notice of the question on behalf of the minister.

Mr. Speaker: Order, please. The Chair will recognize the hon members who are seeking to ask supplementaries, but those hon. members who are now seeking the floor on supplementaries must have looked around the House and seen that there are between 25 and 30 members who are still seeking an opportunity to ask questions. Perhaps we should try to limit supplementaries and ask shorter questions and, hopefully, have shorter replies.

Mr. David MacDonald (Egmont): When the Prime Minister is looking into this matter will he ask the Minister of Transport to consult directly with the provincial governments to ascertain their views on this very important question?

Mr. Trudeau: I will also ask the minister to take notice of that question.

Mr. John Lundrigan (Gander-Twillingate): I should like to direct a question to the Parliamentary Secretary to the Minister of Transport. Is he now in a position to respond to the request earlier this week that the new rates be set aside until their probable consequences and, indeed, their constitutionality, have been assessed?

Mr. Gerard Duquet (Parliamentary Secretary to Minister of Transport): No, Mr. Speaker. On the contrary, we expect that as a result of the construction of new vessels and terminals the ferry traffic in that district will increase. The rates have been established after very profound study.

Mr. Speaker: Order. The hon. member for Egmont and the hon. member for Gander-Twillingate are seeking the floor to ask further supplementaries. I again appeal to them to give the Chair an opportunity to enable other hon. members to ask questions.

Mr. Lundrigan: I will co-operate, Mr. Speaker.

Some hon. Members: Hear, hear!

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EXTERNAL AFFAIRS

SOLUTION FOR PROBLEM OF REFUGEES FROM EAST PAKISTAN NOW IN INDIA

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the Prime Minister. Is it the view of the government that India should permanently sustain millions of refugees from another country, even with financial assistance from other lands, and, if not, can the right hon. gentleman advise what steps the government is taking to promote a long-range solution to this grave international problem?

Right Hon. P. E. Trudeau (Prime Minister): I would not exaggerate the extent to which the Canadian government can settle this problem of refugees over the heads of the governments of India and Pakistan, but I would gladly entertain constructive suggestions from the opposition as to what might be done.

Mr. Macquarrie: Would the Prime Minister tell us, before that stage is reached, what his government is doing in this connection?

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PROVINCIAL AFFAIRS

SASKATCHEWAN ELECTION—LEAVE OF ABSENCE FOR FEDERAL PUBLIC SERVANTS TO BE CANDIDATES

Mr. Les Benjamin (Regina-Lake Centre): May I ask the Parliamentary Secretary to the Secretary of State if he is now in a position to reply to the question asked two days ago by my hon. friend from Regina East concerning an employee of the Department of Indian Affairs and Northern Development who was refused leave of absence to be a candidate in the Saskatchewan provincial election?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Yes, Mr. Speaker, but to give the full and complete answer which the hon. member requests would be difficult during the oral question period. It could be given by way of a letter or in response to a question placed on the order paper. The reply is a lengthy one.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

EFFECTS OF GRANT TO VALCARTIER ARSENAL

Mr. Roland Godin (Portneuf): Mr. Speaker, I have a question for the Minister of Regional Economic Expansion to whom I would like to express my thanks for the $500,000 which his department is about to grant to the Valcartier arsenal.

Could the minister tell the House whether, when we are being told of 200 new jobs, we should add these jobs to the 225 which already exist at this plant or add them to the 1,300 which existed last year at this time?

Mr. Speaker: Order. It seems to me that the hon. member's question is argumentative and I think it is not in order.

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[*English*]

INDIAN AFFAIRS

CLAIM OF ST. REGIS BAND RESPECTING LOON ISLAND—PUBLIC HEARING

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Indian Affairs and Northern Development a question relating to the St. Regis Indian Band and the dispute which has arisen concerning title to Loon island, I believe it is called. The minister has promised to issue a statement. Is he prepared to arrange for a public hearing so that members of the band may present their case?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, at the very request of the members of the St. Regis band, we have referred this problem to the Department of Justice and we have asked the officers of both my department and the Department of Justice as well as the Indians' legal adviser to co-operate in trying to solve this problem in a satisfactory way.

The conclusions of the study show that Loon island did not belong to Indian territory and they have been advised accordingly. If they have any more suggestions to make at this time, we shall gladly take them into consideration.

[*English*]

Mr. Stanfield: Had the Department of Justice received representations on behalf of the Indian band before this decision was made and, if not, is the minister prepared to give an assurance that a full opportunity will be given to the band to be represented by counsel in presenting their case?

[*Translation*]

Mr. Chrétien: Mr. Speaker, I myself arranged a meeting with the St. Regis band and this problem was discussed. It was at the request of the chief and members of that reservation that we referred this problem to the Department of Justice. It has also come to my knowledge that justice officials and the legal adviser of the St. Regis Indians have frequently held consultations on this question.

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NATIONAL DISASTERS

QUEBEC—REQUEST FOR FEDERAL ASSISTANCE TO SAINT JEAN-VIANNEY VICTIMS

Mr. Gilles Marceau (Lapointe): Mr. Speaker, I would like to ask a question of the right hon. Prime Minister.

In view of the Saint Jean-Vianney tragedy which caused 30 casualties and several million dollars in damage, I would like to know whether the Quebec government has formally requested federal assistance and whether Ottawa is prepared to provide assistance of some form.

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, I am informed that the Hon. Gérald Harvey, the Quebec Revenue Minister, has filed an application with the federal government through the Minister of Regional Economic Expansion, and that discussions between the two parties are underway as to the extent of federal assistance to the population which has been through so many hardships and on behalf of which the hon. member has made such pressing representations to the government.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a supplementary question for the Minister of Regional Economic Expansion.

Can he tell us now how much the federal government will pay to Quebec for assistance to the victims of the Saint Jean-Vianney disaster?

Hon. Jean Marchand (Minister of Regional Economic Expansion): It all depends on the assessment of work to be carried out at Saint Jean-Vianney, Mr. Speaker. I can therefore give no reply at this time.

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

Could he tell us if, according to some recent reports, in cases like that of Saint Jean-Vianney, assistance would be granted under certain conditions by the federal government and if so, what would these conditions be?

Mr. Trudeau: Of course, Mr. Speaker, there are conditions. If the government were to spend arbitrarily the taxpayers' money, I am convienced the hon. member would be the first one to criticise. Every month, every week, in all parts of Canada, there are opportunities to help people who are suffering from one thing or another and the federal government has set a number of conditions when help to afflicted areas that are not in aposition to help themselves is warranted. Those are the conditions

which we are trying to apply with maximum equty. On every occasion, throughout this country, when there are special cases, Mr. Speaker, we try to settle them as such.

Mr. Speaker: The hon. member for—

Mr. Asselin: I want to put a supplementary question, Mr. Speaker.

Mr. Speaker: Order. The hon. member has had already the opportunity to put a supplementary question on this matter. There are only a few minutes left before the end of the question period.

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[*English*]

AGRICULTURE

ALBERTA—EQUALIZATION OF FEED GRAIN TRANSPORTATION COSTS

Mr. Cliff Downey (Battle River): Mr. Speaker, I should like to direct my question to the Minister of Agriculture. Can he tell us whether he is undertaking to equalize feed grain transportation costs in so far as they now affect Alberta producers?

Hon. H. A. Olson (Minister of Agriculture): No, Mr. Speaker, we are not contemplating any feed grain transportation costs anywhere within the major production region.

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MANPOWER

SUGGESTED INCREASE IN COUNSELLING STAFF AT CENTRES BECAUSE OF DEMAND FOR SERVICE

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. In view of the fact that many applicants are having difficulty receiving counselling services at manpower centres, necessitating long waiting periods and expense to the unemployed who have to travel long distances, would the minister investigate this situation with a view to increasing the counselling staff at those centres where there is an overload of applicants?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, if the hon. member will bring a specific situation to my attention I certainly will be glad to look into it. The offices are indeed faced with a heavy load and are trying to do their very best with it.

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CONSUMER AFFAIRS

PROVISION OF SAFE CONTAINERS FOR HAZARDOUS PRODUCTS

Mr. W. M. Howe (Wellington-Grey-Dufferin-Waterloo): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs which has to do with the tremendous amount of publicity he has given recently to hazardous products. According to his own admission the people most affected are children. When does he intend to bring in regulations requiring hazardous products to be put in safe containers and bottled properly?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the publicity dealt with hazardous product containers rather than hazardous products themselves. The Food and Drug Directorate, under my colleague, has already asked pharmacists to prescribe prescription drugs in safety containers. We are now working on and are on the verge of announcing a standard for a safety enclosure for liquids which, when it is perfected and meets the economic tests that must be applied, will be provided for by way of regulation.

REGULATION OF TELEVISION ADVERTISING DIRECTED AT CHILDREN

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to ask the Minister of Consumer and Corporate Affairs when he proposes to do something tangible by way of legislation in respect of regulating advertisements on television directed at children?

Hon. Ron. Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I was hoping the hon. member's private bill on the subject might come up for debate.

Mr. McGrath: Mr. Speaker, perhaps the minister would talk to the government House leader—

Mr. Speaker: Order, please.

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POLLUTION

ESTABLISHMENT OF SINGLE AGENCY TO DEAL WITH OIL SPILLS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, in the absence of the Minister of Fisheries and Forestry I should like to direct this question to his parliamentary secretary. Have any further plans been made for the establishment of a single agency or department, with the necessary manpower, equipment and cash, to deal with oil spills in Canadian waters in accordance with the recommendation in the third instalment of the report of the operation oil task force?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): Mr. Speaker, I will be glad to take that question as notice on behalf of the parliamentary secretary.

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[*Translation*]

BILINGUALISM

REFUSAL OF BRITISH COLUMBIA TO ACCEPT BILINGUAL LABELLING

Mr. Roch La Salle (Joliette): Mr. Speaker, I want to direct a question to the Minister of Consumer and Corporate Affairs.

In view of the fact that a conference of the provincial ministers in charge of consumer protection took place last week, and as British Columbia stated that it refused categorically to implement the bilingual labelling policy, would the minister be ready to indicate whether he is going to respect the decision taken by British Columbia, or if he will invite the province to respect the policy already announced by the federal government?

[*English*]

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I announced a policy in the House in December relative to bilingual labels under the federal labelling and packaging statutes. That policy still stands and we are in the process of implementing it.

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EXTERNAL AFFAIRS

RENOVATION OF RESIDENCE OF CANADIAN AMBASSADOR IN MOSCOW

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, my question is directed to the Prime Minister. Has the present Canadian ambassador in Moscow recently requested, as a condition of extending his stay in Moscow, a complete renovation of his residence facilities at an approximate cost of $150,000?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I missed part of the question because of noise down to the right, but I know of no request of the general nature of what I was able to understand. If the hon. member cares to repeat his question I might be able to assert more—

Mr. Paproski: Has the present Canadian ambassador in Moscow recently requested, as a condition of extending his stay in Moscow, a complete renovation of his residence facilities at a cost of approximately $150,000?

Mr. Speaker: I will, of course, allow the Prime Minister to reply to the question. Had I heard the question correctly in the first instance I might have suggested to the hon. member that it be placed on the order paper. As the hon. member went to the trouble of asking it twice, perhaps he is entitled to an answer. While the matter is being considered I will recognize the hon. member for Simcoe North.

[*Later:*]

Mr. Paproski: My supplementary question is directed to the Prime Minister. Will he advise the House why the government is contemplating a building program in Moscow amounting to $10 million?

Mr. Trudeau: Never heard of it, Mr. Speaker.

Inquiries of the Ministry

HEALTH

INQUIRY AS TO APPOINTMENT OF NATIONAL COUNCIL

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I direct my question to the Minister of National Health and Welfare. It is based on a recommendation of the royal commission which submitted a report seven years ago outlining certain goals to be attained. Seven years later there is still no national science policy for health in spite of the fact that 6 per cent of the gross national product is devoted to health services. When can we expect the appointment of a national council on health?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I do not agree at all with the premise to the hon. member's question. He must be aware of the national health science policy as reflected in the activities of the department, including food and drugs, the national health grants and the Medical Research Council. If he looks at them he will see the direction in which they are all going in terms of a national health science policy.

Mr. Rynard: Mr. Speaker, the minister apparently did not grasp the significance of my question. I asked when a national council on health would be appointed. If he cannot answer we will debate it at ten o'clock.

Mr. Munro: That was not the question the hon. member asked.

Mr. Speaker: Obviously we will have a ten o'clock debate.

BANNING OF IMPORTATION OF BEEF CATTLE WHICH HAVE BEEN GIVEN GROWTH HORMONE, DES

Mr. John L. Skoberg (Moose Jaw): I have a question for the Minister of National Health and Welfare. Will he indicate whether Canada is one of the 21 countries that have banned the importation of beef cattle which have consumed the growth hormone, DES?

Hon. John C. Munro (Minister of National Health and Welfare): I am not aware of this, Mr. Speaker, but I will check into the matter.

Mr. Skoberg: In view of the fact that the United States is aware of the situation that exists, and the fact that the Common Market has banned the import of beef cattle from the United States because of the possibility of causing cancerous growth in man, will the minister immediately act on this matter?

Mr. Speaker: Order, please. The Chair will recognize the hon. member for Bellechasse and the hon. member for Edmonton Centre on a supplementary. We will then have to proceed to orders of the day.

Senate and House of Commons Act

[*Translation*]

FINANCE

QUEBEC—ALLEGED UNEQUAL TREATMENT RESPECTING STUDENTS LOANS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I have a question for the Minister of Finance.

In a very recent release from his department with regard to the federal government's expenditures under the student loans program, mention is made of the amount allocated to each province, and I note that, in spite of the fact that Quebec—

Mr. Speaker: Order. The hon. member should ask his question as quickly as possible, because the question period is over. He has a few minutes' grace to ask his question quickly.

Mr. Lambert (Bellechasse): I thank you, Mr. Speaker. I thought it was better for me to explain, but, at any rate, here is my question: How is it that, under the federal-provincial agreement concerning student loans, Quebec only received $5,350,000 in 1970 and came in fourth place, when, with regard to population, it ranks second—

Mr. Speaker: Order. I suggest to the hon. member that the question should be put on the order paper. If the matter is urgent, it could be debated at the time of adjournment.

Mr. Lambert (Bellechasse): At ten o'clock, Mr. Speaker.

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[*English*]

THE BUDGET

REQUEST FOR CONSIDERATION OF CIRCUMSTANCES OF ELDERLY RETIRED PEOPLE

Mr. Robert McCleave (Halifax-East Hants): Monsieur l'Orateur, ma question est dirigée au Ministre des Finances. Will he assure us that some regard will be had for the circumstances of the elderly retired on fixed incomes in his presentation to us on June 18?

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, we always do our best to look after the old people.

• (3:00 p.m.)

GOVERNMENT ORDERS

SENATE AND HOUSE OF COMMONS ACT

AMENDMENTS RESPECTING MEMBERS' SESSIONAL AND EXPENSE ALLOWANCES, ETC.

Hon. Allan J. MacEachen (President of the Privy Council) moved that Bill C-242, to amend the Senate and House of Commons Act, the Members of Parliament Retiring Allowances Act, and an act to make provision for the retirement of members of the Senate, be read the third time and do pass.

[Mr. Speaker.]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I listened to a bit of comment on CBC radio this morning and heard one of our press gallery friends make a rather cynical remark about the debate scheduled for this afternoon on this bill, third reading of which has now been called. The remark was to the effect that it is a foregone conclusion that this bill will be passed and wrapped up in no time because, after all, the members are anxious to get the money that will be provided when it is passed. I realize, Sir, that it is quite routine for us to regard remarks by friends in the press gallery, which may be cynical, as their view of us whether or not it is justified. I suggest, however, that in this instance it might be well for us to pause for a moment and realize that maybe that cynicism reflects a view held by a very large number of Canadians. I certainly know from my correspondence there are many Canadians who are offended by what the government has placed before us in Bill C-242. Even though it may be routine for this bill to be debated on third reading and passed by this House this afternoon, some of us feel we must still rise and state our very strong objection to it.

I may put members slightly to rest by saying that I have just five things to say. When I have only two or three things to say it can take me 40 minutes, but when I have five things to say I can do it in a lot less time. The first thing I want to say is that I am fully aware of the problems many Members of Parliament face in trying to balance their budgets on the amount of money they now receive as salary and expense allowance. I doubt if there is anyone in this Chamber for whom this is the only income who is not having difficulty, and I am included in that group. But, Mr. Speaker, we are here as representatives of the Canadian people and most Canadians when they have trouble trying to balance their budgets, have to sharpen their pencils and find ways to cope with reality. They do not have the opportunity just to vote themselves the necessary increase. I think, in the light of what most Canadians are coping with today, we should not give this offensive example of voting ourselves this substantial increase at this time.

The second thing I should like to say is that we are living at a time, in a Benson-type economy, when our people are being urged to practice restraint. We have guidelines of one kind or another. Trade unions are told they must not ask for too much money. All down the line the preachment is restraint. Since we are part of the parliamentary, and in that sense the governmental section of this country, it seems to me the maxim applies that we should practice what we preach. If restraint is being proclaimed as something others should follow, I suggest we should follow it ourselves. In my view, we are not showing restraint when, in one fell swoop, we raise our total income from the present $12,000 salary and $6,000 expense allowance, which is a total of $18,000, to $18,000 salary and $8,000 expense allowance for a total of $26,000. That is my second reason for once again rising to oppose this bill. Since we are preaching restraint we of all people should practice it.

My third reason for opposing this bill is that I do not like the elements of special privilege contained in it.

There are two in particular. One is the fact that the increase to be provided by this bill is to be retroactive to October 8, 1970. Like other members of this House, I have a great deal to do with workers in the private sector and in the public sector who try to get increases and try to get some retroactivity. But how seldom they get it! I am also aware of the fact that the Canadian Legion and other veterans' organizations asked that recent increases in veteran's pensions and allowances be made retroactive a year or at least a few months. But, no; when the legislation was brought in there was no retroactivity in it. The same is true about old age pensions and about many of the things we provide for others. We provide no retroactivity for all these other groups, but in this bill we take for ourselves the special privilege of making this very large increase retroactive to October 8, 1970.

The other element of special privilege in this legislation is the continuing in effect of the principle of a portion of our income being called expense allowance and being made tax free. The one thing in the Beaupré report which had wide approval was the recommendation that the special privilege of a tax-free allowance should end. Instead of ending it, this bill entrenches it by raising the tax-free amount from $6,000 to $8,000 a year. I suggest if we continue in this direction it will be even more difficult, if ever Parliament wants to do it, to abolish that special privilege. My third reason for opposing this bill is, as I have said, these two elements of special privilege that are contained in it, retroactivity and freedom from income tax. I have had letters from persons who, whether I agree with them or not, expressed no objection to an increase in the salaries of Members of Parliament, but all of them object most strongly to our providing ourselves with freedom from income tax on what is part of our income, especially since no such privilege is granted to them.

• (3:10 p.m.)

The fourth thing that I wish to say—and it is something that I have had occasion to say on a number of times in various debates in the House—is that in my view the problem that besets our society the most is that of inequality and of wide differences between the living standards of those at the bottom and those at the top. This is a problem in our Canadian society and it is a problem in our world. My fear is that this is the kind of thing that could bring down our society and that could tear our world apart. I believe we must move in the direction of greater equality in living standards; we have to level things up. One does not level things up by following this percentage rule and always providing bigger increases for those at the top than we provide for those at the bottom. We boast of the fact that welfare standards and minimum wages are higher today than they were a few years ago, but the living standards of those at the top are so much higher, the gap is so much wider, that in a psychological sense the poverty of those at tne bottom is even worse.

This applies, as I said, in the world at large, and it applies in Canada. I think that the effort to level things up and to achieve some sort of equality has to begin with some of those at or near the top. It is not good enough just to tell those down at the bottom that they must be satisfied with a minimum wage of $1.75 an hour. It is not good enough for us to tell those who sit at the collective bargaining table that they must be satisfied with lower wages than they want, all of this being said in the name of restraint and in the name of keeping the economy going. If we believe that there should be some sort of approach toward equality, toward solving the problem of wide differences, those of us who are up the scale a bit are the people who should say so. I think we should be giving a lead, and I think this responsibility rests upon us as Members of Parliament even more than it does upon the professional and the business community, because we are the people who have come here to be the representatives of the Canadian people. We are the people who should be giving a lead. Therefore, I think we should say no to the proposed boost in our take home pay which this bill provides.

The fifth and final thing that I want to say may perhaps be somewhat personal. It is something that I had occasion to say in the standing committee to which this bill was referred, but I feel I must say it again. A good deal has been said about the comparison between our salary levels and the salary levels of senior public servants, of executives, of deputy ministers, and so on, and the argument is made—and I understand and respect the argument—that our salaries should somehow be comparable to theirs so that our working relationship with them will be an appropriate one. I do not accept the premise of that suggestion, namely that we have been hired to do a job. We hire public servants for that purpose and we pay the rates that attach to those jobs. But we come here rather as representatives to speak for the people whom we represent. To put it in the plainest language that I can, even though it may be somewhat personal, I am far more concerned about my relationship with the people whom I represent than I am with my relationship with the deputy ministers or the senior public servants who may, in a sense, be sitting across the table from me.

Of course, the argument can be won for a pay increase if you trot out comparisons, at least if you trot out comparisons with senior public servants. You cannot win that argument if you mention figures in relation to what we have done for old age pensioners, for people on the minimum wage, for war veterans, and so on. But speaking for myself may I say that it means far more to me to have the people in Winnipeg North Centre feel that I am their representative, that there is some relationship and some rapport between them and me, than it does for me to have enough salary so that I can say that I am the equal of some level in the federal public service. I do not need money to be their equal, but I do want the feeling that I do represent the people who sent me here.

Therefore, for these five reasons, if I may recapitulate them, having kept my promise not to take my full 40 minutes, I am opposed to this bill. I think in the first place that, like others, we should sharpen our pencils and balance our budgets rather than just vote ourselves an

increase. I believe we should practice what we preach, and we are preaching restraint. I insist that we should deny ourselves such special privileges as retroactivity and freedom from income tax. I think we should give the lead in the battle to level up the standards of living of those who are down, and the place where that should start is with some of us who are at or near the top. I believe that we should be concerned, not with our monetary relationship with the people who are high in the public service, but with our relationship with the people that it is our privilege and our honour to represent. Therefore, I intend to vote against the third reading of this bill. If in spite of my opposition it carries, I shall govern myself according to my vote.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I did not have the opportunity during the debate on the motion for second reading to make comments on Bill C-242. I shall try not to repeat the arguments put forward on the motion for third reading.

I agree with most other hon. members that it may be embarrassing to vote in favour of an increase of our salaries and allowances, especially when there are in Canada thousands of unemployed who are not getting any pay.

That is why we think it is not the proper time for us to increase our salaries and allowances, particularly in view of present economic conditions in Canada.

We should not be compelled to tolerate the blunders of the present government, but since the people generally judge Parliament by its achievements, we refuse to support the economic policy of the government and be blamed for having been in favour of an increase of members' indemnities, while Canadians are experiencing such deplorable economic conditions.

Mr. Speaker, when an employee asks for a raise, the boss immediately checks his performance record in order to see how efficient he is. Any good boss, once he has determined that the employee's work is satisfactory, will readily grant him a raise.

In our case, we have to vote ourselves higher indemnities and allowances, but on the other hand, if we believe in democracy, the people are still the boss. We know at the present time that the Canadian people—and we had proof of it last Monday in the four by-elections—are altogether dissatisfied with the economic policy of the government. That is one of the reasons why we are inclined to vote against this bill.

Our position, so far, on the increase of pay and allowances for members of Parliament, is as follows: We would have preferred, because of the present economic conditions, unemployment, the great number of welfare cases, income tax and other taxes, that all people must pay—not to mention the threat of new taxes in the soon to be introduced budget—the provision of services for members in their ridings. We are quite serious about it, especially since we have to put up with the policy of this government and, when we go back to our ridings, we

have to meet 40, 50, 60 or 75 people struggling with problems of welfare, unemployment insurance, taxes, jobs, industrial development, forms to fill and telephone calls. In fact, telephone calls average from 35 to 40 on Mondays, Tuesdays, Wednesdays and Thursdays, and from 60 to 75 on Saturdays and Sundays. On the other hands, our wives at home must act as secretaries, calling welfare offices, organizing meetings, going to city hall, phoning the mayor because people consult us about municipal problems and receiving people who trust their respresentative and ask him to give them a hand or to solve their problems.

We deplore the fact that the government did not take into consideration the recommendations of the Beaupré committee in that regard. I would like to ask the sponsor of Bill C-242, the President of the Privy Council (Mr. MacEachen) if, tomorrow morning, I hire a secretary in my riding to help me in my work, will her salary be deductible from my income tax and will I be able to give her a T-4 slip.

So far, I have not read in the regulations or in the speeches of those who preceded me that an hon. member had the right to hire an employee whom he would pay out of his salary and to deduct that amount from his income tax.

We must also take into account the work of the member's wife, who does at least as much in her home answering inquiries from constituents, from 8 in the morning until 10 or 11 at night seven days a week, as any secretary working in Parliament. However, this work is not acknowledged by the general public.

I am not saying the wife should be paid, but that we should have a secretary, male or female, to spare our wives the work they are called upon to perform when we are away; because, when an elector has a problem, he does not ask himself whether the member is at home or in Ottawa, especially in urban areas where 60 per cent of the people can be reached simply by dialing a telephone number. That is why some members like myself get at least 50 telephone calls on days when we are away, and twice as many on Saturdays and Sundays when we are home.

The problem is serious and also explains the fact that many wives come to hate politics; they become aware of the problems of the public in general, and it happens that they do not like to be overworked, especially when they have to look after a family.

This time I would like to bring another matter to the attention of the government: every time the Créditistes propose in the House social measures such as increasing the old age security pensions or family allowances, the government never fails to say: Where shall we get the money? However, when it comes to increasing members' allowances and expenses, the question does not seem to be raised. I know very well that this is not a problem for the government as the latter will take the money from new taxes that sooner or later it will ask Parliament to vote.

Mr. Speaker, there was another comment published by a Vancouver paper, *The Province,* on May 6, 1971, and it is as follows:

• (3:20 p.m.)

[*English*]

Some people think that you can get better members by giving them much larger salaries. I don't agree because you have to be a "yes" man in order to get anywhere in the party.

You can elect the best Liberal in Canada, wealthy, influential, clever, but he will never get anywhere if he bucks the Prime Minister too often. A good example of "yes" men are Minister Sharp and Ex-Secretary of War Cadieux. A year ago both of these cabinet ministers came out strongly against any reduction in the NATO forces.

[*Translation*]

Mr. Speaker, we regret that the minister responsible has not introduced an amendment to this bill in order to comply with the recommendations of the Beaupré committee. Before the bill is passed on third reading, I do wish to receive the assurance that those hon. members who are going to hire a secretary in their ridings will be able to supply him or her with a T-4 slip and deduct his or her salary on their tax returns.

[*English*]

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I would like to take this opportunity to speak on Bill C-242, an act to amend the Senate and House of Commons Act, the Members of Parliament Retiring Allowances Act, and an act to make provision for the retirement of members of the Senate. At the outset, I would like to say that I fully endorse the remarks made by the hon. member for Winnipeg North Centre (Mr. Knowles). I think he has pretty well put the case for those of us who intend to vote against this legislation.

However, I would like to point out that when the bill was before us for second reading, just about a month ago, I opposed it at that time and urged that some changes be made to it in committee. We find that the bill has come back to the House without alteration. Yesterday, there was an amendment moved by a member of our party which suggested that the increases should be delayed until the next election. I voted for that amendment and I still feel that something of the sort should be included in this legislation.

There are one or two other points I should like to make, Mr. Speaker. While the bill will give adequate increases to members of the House of Commons and the Senate, it does not solve the problem of dealing with our remuneration in the future. This is one of the major weaknesses of the legislation. I had hoped that some kind of formula would be established to take care of future increases, and surely this is what we should be aiming for instead of passing amendments which will give lump sum increases. I feel that there has not been a sincere attempt to evaluate the job done by Members of Parliament. Really, it is not too different from any other job in industry, so it could and should be evaluated and have a remuneration attached to it.

When I spoke on second reading of this bill, I suggested that there should be some niche in the civil service to which the work done by Members of Parliament would be comparable. The remuneration could then be set at a commensurate figure with an annual increment or an increment every two years, as is the case in the civil service. The matter should be taken out of our hands. We should not be placed in the position of coming here every five or six years to vote for an increase in our salaries. I believe that the failure of this legislation to evaluate the job is an indication that it is not good legislation.

• (3:30 p.m.)

There are several other points I should like to make, Mr. Speaker, to show why I am opposed to this bill. For the past 2½ years members of this House, government ministers, the Prime Minister (Mr. Trudeau) and those who advise the government on the economy, have been preaching restraint. There have been guidelines which industry, business and the labour unions have been urged to follow. Up until this year, the guideline indicated that we should not have more than a 6 per cent increase in salary in one year and this past year the guideline was set at between 4 per cent and 4½ per cent. The House of Commons has been giving this advice to the people of Canada. Now, we come here and take a 50 per cent increase on our salary, plus a 33⅓ per cent increase in our taxfree expense allowance. If we expect others to follow our advice and have some respect for what we say, we should at least follow the restraints we set for others.

Some hon. Members: Hear, hear!

Mr. Harding: It seems to me that there are many reasons why Members of Parliament should not have this increase at this time. I have mentioned them before and I shall mention them again. Four or five months ago members of this House increased the old age security pension by exactly 42 cents a month, or $5.04 a year. We told those on basic pension that this was all that the Canadian nation could afford. However, when it comes to ourselves we take an additional $6,000 on our salary plus an additional 33⅓ per cent or $2,000 on our taxfree expense allowance.

Another of my objections is that the increases have been made retroactive to October, 1970. We have no labour union and so we were not negotiating for a salary increase in October, although something might have been going on behind the scenes. We did not know anything about this bill until April 28, 1971, yet the bill provides for almost a year's back pay. I say this is wrong, Mr. Speaker. We did not give a retroactive increase to old age pensioners—indeed this House even denied them the 2 per cent increase based on the cost of living index. Members of this House had the gall to vote for the proposal that the 2 per cent increase, which normally followed the cost of living index, had to be taken away from those on basic pension. I say it is wrong for us to make our own salary increase retroactive to October, 1970 and I have no hesitation in telling members of this House and the general public that it is wrong.

There are other points which I think should be raised, Mr. Speaker. I feel that the tax free allowance is exces-

sive. I have no objection to members from some of the ridings in British Columbia or other ridings where expenses are very heavy receiving such consideration. We all know that those who represent rural ridings spend a great percentage of their salary in covering the area, and I feel no one would have any objection to special consideration in such cases. However, I feel that most members would agree that a first priority should be the provision of better facilities here in Ottawa. I would have preferred to see the money allocated for salary increases go to research facilities and avenues which would enable members to deal more effectively with the problems of the Canadian people. We are loaded with work, and a great deal of research is necessary in order to deal with it but the facilities and staff are not available for this purpose. When legislation comes before this House, we should be able to research it properly if we are to criticize effectively. If it is our aim to improve the lot of Members of Parliament and the service which they give to the country, then I think this should have priority. I will not say anymore, Mr. Speaker. I think we have covered the bill quite adequately. I say without hesitation that if the bill comes to a vote this afternoon, I intend to cast my vote against it.

• (3:40 p.m.)

An hon. Member: But you will take the money.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, my colleague from the riding of Shefford (Mr. Rondeau) has just demonstrated, as all my other colleagues have done, why the increases involved in Bill C-242 are uncalled for.

I should therefore like to briefly express the views of the majority of the citizens of the riding of Champlain in regard to this increase.

I must admit that the population cannot stomach the discrimination practice by the government by bringing forward such a bill. Telling workers to tighten their belts, businessmen, industry and trade to restrict expenses, advising everyone to avoid escalation of prices, and thereupon increasing salaries and expenses of members of Parliament is unacceptable arrogance.

I do not deny the objective value of our functions. It is difficult to evaluate the vast responsibilities they involve. However, in order to be fair to each member, we could have left the members' indemnity at $12,000 a year and tried hard to find ways to reimburse real expenditures directly related to the profession, or rather to the responsible role that we fill.

It is difficult indeed for the citizens of this country who are the shareholders of this tremendous financial establishment which is the government administration, to agree to higher indemnities and expenditures for their directors, when they find that not only is the establishment not profitable, but it is systematically getting the country into debt if not bankruptcy.

If the country was well administered, it would distribute dividends and then, the shareholders, who are the citizens of this country, would be only too happy to grant their good directors an appropriate salary.

[Mr. Harding.]

But they all know that it is not so. That is why I wanted, in a few words, to illustrate the views of my constituents of Champlain.

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I did not intend to take part in this debate on the motion for third reading of Bill C-242, but before it being put, I should merely like to state the position of the Ralliement Créditiste on this question.

I think that any Canadian will agree to the principle of increased allowances. Nobody is stupid enough to refuse a salary increase. However, considering the timing of this proposal, other considerations should be taken into account. We do object to the timing of this legislation.

I do not feel it is appropriate, at a time when there are in Canada 800,000 unemployed and 1,500,000 students seeking summer jobs, when, as my colleague said awhile ago, the Canadian people are asked to tighten their belts, manufacturers, to reduce capital expenditures, and the provinces, to avoid economic development outlays, to bring before the House a legislation designed to increase the sessional and expense allowances of members.

Some comparisons are likely to be made. The Prime Minister (Mr. Trudeau) said, not so long ago, that members of Parliament are less paid than some high-ranking government officials. Indeed! But public servants do not have to get elected every two, three or four years. That is for sure.

We do not hear people disparage senior officials, deputy ministers or others earning $30,000 $35,000 or $40,000 a year. We do not hear them criticize hockey or baseball players earning $100,000 per year. That is something everybody admits.

But when it comes to Parliament, things are a little different because the government organization is the one that determines the members' allowance, not hockey or baseball players nor senior officials. We have to make the decision, we have to vote for or against an increase in our salaries and allowances.

Mr. Speaker, the members are in a somewhat ridiculous position and the Créditistes have offered the government an alternative solution. We have suggested a means of helping the members of Parliament without increasing their allowances or expenses.

For instance, we have demanded marginal services, such as those provided to the Quebec provincial members who, in addition to a yearly indemnity of $18,000, as their federal counterparts, have in their riding secretarial facilities paid by the provincial government.

Provincial members who must attend parliamentary committees between sessions are paid $50 per day. In addition, they receive an allowance for the expenses incurred in their own riding. No newspaperman is against that. But, if federal members ask for similar services, we make the headlines.

We should be able to provide those services to our constituents so as to be constantly in touch with them and aware of what is going on in our constituencies. We are in Ottawa from eight to ten months each year, let us

not forget it. This would be much more important that what we are about to vote on this afternoon!

• (3:50 p.m.)

Mr. Speaker, I ask once again that a secretariat be established in each constituency to serve the population. This would be acceptable to everybody, and the people would be satisfied.

This does not mean at all that we are against any salary increase. For instance, I completely disagree with the hon. member for Winnipeg North Centre (Mr. Knowles) who said a moment ago that we should level up incomes. Take from the haves and give to the have-nots! The real socialist is the fellow who is prepared to distribute what belongs to others, but never what belongs to him. Not on your life! This is what real socialism boils down to. I hear the hon. member for Vancouver-Kingsway (Mrs. MacInnis) laughing. This is precisely what they are doing.

Some NDP members make $100,000 a year, but they would not give a nickel. These are the people who come and preach in this House, blame capitalists, small businessmen, those whose yearly profits amount to $10,000, $12,000 or $15,000. They are too big, these fellows. We know some of them who get paid $50,000 and $75,000 a year out of union funds, out of the Canadian taxpayers' money. There is a limit to being gulled by these people. I will not be muddled by this.

Mr. Speaker, we shall refuse to vote in favor of this raise. The other day, someone said: "Of course you will object." Indeed, we are against the timing of this raise, but still we are in favour of the principle just like anybody else in Canada would be in favour of a wage increase.

The labour leaders to start with are being paid more money than the hon. member for Winnipeg North Centre. He is aware of that, for he himself was employed once by a labour union and since this job meant more money for him that his present job as a member of Parliament, he did not complain.

Mr. Speaker, we support the principle but we are against the timing. That is the reason why we shall vote against it. Some people say: if you get the increase you will accept it nevertheless. My colleagues and myself have often voted against taxes. In fact, we lost the vote, but nevertheless we pay our taxes. If the bill passes, we will use the increase to educate the Canadian people and to give them by means of Social Credit a sound and honest administration which will bring about better justice.

The Acting Speaker (Mr. Laniel): Is the House ready for the question? I recognize the hon. member for Lotbinière.

Mr. André Fortin (Lotbinière): Mr. Speaker, I would like to make some brief remarks that I wish to direct especially to the President of the Privy Council (Mr. MacEachen).

Senate and House of Commons Act

During consideration of Bill C-242, entitled "An Act to amend the Senate and House of Commons Act", the President of the Privy Council stated, in his introductory remarks, that some time in the future he expected to consider the possibility of increasing services to members in their ridings.

Before the committee, he contradicted himself to some extend and equivocated. I know however that he has thoroughly considered the recommendations of the Beaupré report.

We should like, before the end of this debate on third reading, to get from the President of the Privy Council some specific indications as to how soon services may possibly be added to those already available to members in order, as my colleagues said, to provide a permanent type of service to the people in our ridings.

Mr. Speaker, we have to close the gap between democratic institutions and the people, and it seems important to me, while considering this legislation, that the President of the Privy Council, before the end of the debate, give us specific indications and undertake, morally at least, to assure members and the people that the people's representatives will have the required tools to do the work that has been entrusted to them, in their ridings.

[*English*]

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

Some hon. Members: Question.

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

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion, the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

The House divided on the motion (Mr. MacEachen) which was agreed to on the following division:

• (4:00 p.m.)

YEAS

Messrs:

Aiken	Asselin
Alkenbrack	Badanai
Anderson	Baldwin

Division

Messrs:

Barrett
Basford
Béchard
Beer
Bell
Benson
Blouin
Borrie
Breau
Buchanan
Caccia
Cafik
Chrétien
Clermont
Cobbe
Code
Comeau
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crossman
Crouse
Cullen
Cyr
Danforth
Danson
Deachman
Deakon
Downey
Drury
Dubé
Dupras
Duquet
Fairweather
Forest
Forget
Forrestall
Foster
Francis
Gendron
Gervais
Gibson
Gilbert
Gillespie
Givens
Gray
Grills
Guay (St. Boniface)
Guilbault
Gundlock
Haidasz
Hales
Hees
Hopkins
Howe
Hymmen
Isabelle
Jerome
Kaplan
Knowles (Norfolk-Haldimand)
Korchinski
Lachance
Laflamme
Lambert (Edmonton West)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
Lefebvre
Lessard (Lac-Saint-Jean)
Loiselle
Lundrigan
MacDonald (Egmont)
MacEachen
MacGuigan
MacLean
Macquarrie
McBride
McCleave
McCutcheon
McGrath
McIlraith
McIntosh
McNulty
McQuaid
Mahoney
Major
Marceau
Marchand (Langelier)
Marchand (Kamloops-Cariboo)
Marshall
Monteith
Moore
Morison
Munro
Murta
Nesbitt
Noble
Noël
O'Connell
Olson
Orange
Paproski
Peddle
Penner
Pepin
Prud'homme
Reid
Ricard
Richard
Richardson
Ritchie
Roberts
Robinson
Roy (Timmins)
Roy (Laval)
Ryan
Scott
Serré
Skoreyko
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sullivan
Thomas (Moncton)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whicher
Woolliams
Yanakis—149.

[The Acting Speaker (Mr. Laniel).]

NAYS

Messrs:

Barnett
Beaudoin
Benjamin
Brewin
Broadbent
Burton
Caouette
Dionne
Fortin
Gauthier
Gleave
Godin
Harding
Knowles (Winnipeg North Centre)
Lambert (Bellechasse)
Laprise
Latulippe
Lewis
MacInnis (Mrs.)
Matte
Mazankowski
Peters
Rodrigue
Rondeau
Rose
Saltsman
Schumacher
Skoberg
Thomson (Battleford-Kindersley)
Winch—30.

• (4:20 p.m.)

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

POST OFFICE ACT

AMENDMENTS RESPECTING STAMP AGENTS' COMMISSION, LETTER MAIL PREPARATION ARRANGEMENTS, EXTRAORDINARY SERVICES, MEMBERS' MAIL, ETC.

The House resumed, from Tuesday, June 1, consideration of the motion of Mr. Côté (Longueuil) that Bill C-240, to amend the Post Office Act, be read the second time and referred to the Standing Committee on Transport and Communications.

Mr. John Burton (Regina East): Mr. Speaker, I feel I should enter the debate on this bill because of the number of serious problems presently facing Canada's rural communities in particular. I raise this matter in this debate because it should be obvious that the post office plays a very essential and vital role in the rural communities of Canada. At the present time, rural Canada is going through a crisis. We see farmers leaving the land. They are being forced off their farms. The rural communities in many parts of Canada are disintegrating because of the lack of any cohesive policy designed to ensure the stability and the future viability of rural communities throughout all Canada. I suggest this is a matter of national concern. It is something which should concern all members of this House as well as the people of Canada.

It is perfectly obvious, of course, that in Canada there is a movement of people from the rural areas of the country to the urban centres. This movement has now reached such proportions that many people are wondering what is happening to Canada, and whether in fact the form this development is taking is a healthy one. Some predictions are being made that, if present trends in Canada are continued, we will see a concentration of population in a very small number of supercities in a few locations of Canada. If we are to retain and build viable rural communities in Canada one of the first essential

public functions which must be looked at very closely is the postal services. It seems to me the government has failed to do this. It has failed to deal with the problems affecting the post office in the past few years.

I wish to acknowledge that one of the first actions, possibly the first, of the present minister responsible for the post office was to place a moratorium on further post office closures in Canada. I was happy to see this action because it at least brought about a temporary reprieve in respect of the havoc wreaked by his predecessor who closed hundreds of post offices across Canada. I think all of us will recognize that some adjustments and changes had to take place. Of course, many of the problems now facing the post office are the direct result of the political patronage practices of the past. I know the former Postmaster General at least tried to take some of the politics out of post office matters. I want to say I hope the present minister in charge of the post office is following and will continue to follow such a policy. I hope he will take partisan politics out of post office matters.

I acknowledge that some progress has been made in this field in recent years. Of course, the political patronage system is responsible for some of the problems with which the post office department has been wrestling. I heard of a case involving three post offices in a rural area which were within five miles of each other. The three postmasters concerned were not all Liberals. The two on either side, at the extremities, were Liberals and the man in the centre was a Conservative. The two Liberals were appointed when the Liberal government was in power and the Conservative was appointed when the Conservative government was in power. The post office situation in that area was studied and it was found that there was room for one post office. A decision was made to keep the one in the centre, which happened to be the one held by a Conservative supporter. Were the Liberal supporters of that area angry! They knew that some of their privileges of the past had been foreclosed. This is the type of thing which has bedevilled the post office too often in past years.

I have had some experience with the closing of some rural post offices in my constituency. I had no argument in respect of some of them. In a few cases I made inquiries and found there were no objections in the communities, therefore I entered no objections to the closures which were being proposed. However, there were some others the services of which I felt were essential and should be retained. One such case I discussed in this House on a previous occasion. I refer to the post office at Serath, Saskatchewan, located about 60 miles north of the city of Regina on highway 6, and on the boundary between Regina East and Regina Lake Centre constituencies.

Serath is a small rural community removed from the railway lines. It is some 20 miles distant from the nearest railway line to the south and almost 20 miles from the nearest railway line to the north. Also, it is 20 miles from the nearest railway line and post office point to the west. This is a large rural area in which there were a number of small post offices. All these post offices have been closed in recent years, and I have no argument in respect of some of these closures. It would seem to me, however, that there is room for this one last post office located not in some farmhouse or small isolated store, but in a community which has been built up and centered around the post office and a number of other services in the immediate vicinity. Not a very large number of householders were involved—some 48 in number—but once the Serath post office was closed some of them would have to go a distance of 25 miles or more to obtain postal service. Lo and behold, the Postmaster General decided to close the Serath post office along with one other post office in that rural area. The hon. member for Regina-Lake Centre (Mr. Benjamin) and I made representations. We discussed the matter with the people in the local community who made it very clear that they wanted to have that post office retained in preference to having the rural route service which was offered as an alternative. In spite of all the representations we made and the interviews we had with the minister responsible, our representations and appeals were turned down.

This seemed to be a strange decision, so I put down a motion for the production of papers asking for all correspondence in connection with this post office closure. I found that the Liberal members for Saskatchewan had become very much interested in this little post office at Serath. Serath had not received as much attention throughout its entire life span. I have, for example, a letter which came from the office of the Hon. Otto Lang, now Minister of Manpower and Immigration. I might say the Minister of Manpower and Immigration is responsible for piloting a bill through the House of Commons, which is now being considered by the Agricultural Committee, and which he claims will be the salvation of the western grain industry and the prairie agricultural economy. What was the role the minister played in connection with this particular rural community? I should like to quote from a letter that came from a research assistant in the office of that particular minister. He was dealing with two post offices, one happened to be close to the Minister's constituency. The one Post Office served only about 40 householders, while the Serath post office served 48 householders, a larger number. He said:

• (4:30 p.m.)

However, there is a proviso and that is that the same people who would prefer the Serath post office to close would firmly support the maintenance of the Esk post office.

This, I suggest, is a sleazy bit of political business.

Some hon. Members: Oh, oh.

Mr. Burton: Here we have an example of political patronage at its worst in the Post Office. This letter is dated January, 1970, and the minister could go to his files and find this correspondence. This letter shows the role that was played by one of his colleagues in closing out a service that was vital to the people in that rural community. I suggest there are other cases similar to that to be found in the files.

So, this study went on and eventually a letter came from the office of the minister of communications inform-

ing me the department had decided that the Esk post office still served a very important function in that community but that Serath did not. The department said Serath did not have any banking facilities, but neither did Esk; that Serath did not have any medical facilities, but neither did Esk. There were a couple of other things, mentioned which neither municipality had. Nevertheless, because there was a political factor involved, because, I suggest, the local Liberal executive in that area wanted to see the Serath post office closed and the Esk post office kept open, the government decided to keep the Esk post office open. This type of thing is not good enough. I think it is the type of thing that simply has to stop if we are to deal satisfactorily with the problems of the Post Office.

What have we experienced in recent years? We have had increases in postal rates from four cents for local delivery and five cents for out of town delivery to eight cents for first class mail. This is a substantial increase. We have had reductions in service of various sorts which have already been mentioned during the current debate. Yet, in spite of these increases in rates, the Post Office Department could not keep little Serath open. When it came to a matter of political patronage, political considerations, Serath was clobbered. That community suffered. I suggest there is a place for a post office in that community which is far removed from other communities. This is the type of thing that I think must be corrected if we are going to see any change of direction in the course of affairs in the Post Office Department.

There is one other matter with which I would like to deal as well, and which I think warrants further investigation. The minister is aware of the fact that a certain event will take place in the province of Saskatchewan which will be of considerable interest to him, I am sure, as well as to all members in the House. I refer to the election on June 23. I have had some contact with some people in various rural communities and I understand they are receiving mail these days, some of it in plain envelopes. There is one item of mail that is being delivered in plain envelopes in several rural communities in north western Saskatchewan, and inside there is a pamphlet put out by the Saskatchewan government information services which describes what a fine job the government is doing about highways. The information I have, which I am not in a position to authenticate at the moment but which nevertheless I feel is reliable, is that the householder mail rate for this particular item was paid by the premier's office. It is not clear whether this payment was made out of the funds of the government of Saskatchewan, by the Liberal party of Saskatchewan or out of the premier's own private funds, whatever they may be. However, it seems to me to be a questionable sort of activity in terms of the way the mails are being used. There are laws against pornography in the mails. Well, I suggest that the type of rubbish and refined fertilizer that is being distributed through the mails from the office of the premier of Saskatchewan at present certainly warrants as much investigation as the Post Office Department has carried out from time to time of mail which has been alleged to be pornographic in nature.

Mr. Rose: I have a question, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Will the hon. member for Regina East (Mr. Burton) allow the hon. member to ask a question?

Mr. Burton: Yes, Mr. Speaker.

Mr. Rose: The hon. member for Regina East made some remarks concerning a piece of literature that is being distributed through the mails, and he suggested that it might be pornographic. I want to ask the hon. member whether he has undertaken any kind of investigation of this literature through the Minister of Consumer and Corporate Affairs (Mr. Basford), under whose jurisdiction this matter would fall, I believe, under the truth in advertising provisions of the act.

Mr. Burton: I did not suggest directly that this letter was pornographic in nature. Certainly, there might be some elements of indecency in it. I suggested it was refined fertilizer. At the same time, I think the suggestion made by the hon. member for Fraser Valley West (Mr. Rose) is one that merits attention. I suggest that the minister in charge of the Post Office should take this under consideration as well to ensure that the truth in advertising laws are followed with respect to materials such as I have described which are distributed through the mail.

In conclusion, I want to make an urgent appeal to the minister in charge of the Post Office to come to grips with the problems of rural postal service and that he take a different approach than the Post Office Department has taken in the past several years. I want to suggest that there are ways of dealing with problems, which I have to acknowledge exist. I am quite aware that on the basis of the salaries being paid to postmasters, which are set out in certain schedules, and on the basis of the volume of mail handlings, on the basis of receipts and revenues in various post offices, it is difficult to justify the setting up of a full postal structure in a number of communities.

I want to suggest that there are alternatives that could be considered. I would like to suggest that the Post Office further investigate the establishment of sub-post offices in rural areas. This, I might mention, is done in our large urban centres. In my own city of Regina there are around 37 sub-post offices. I recognize that for the most part they do not handle mail deliveries. There are a few of these sub-post offices at which patrons can pick up their mail, but that is not their normal function in an urban setting. They are there to sell stamps and provide the other services which are provided by the post office. Of course, sub-post offices would require a further adaptation to the rural scene if such a system were adopted. But it seems to me that it would make a great deal of sense if we did have regular post offices in main centres in the various rural areas of Canada, while in the smaller centres which are too small to justify a full postal service, there could be established sub-post offices which would be under the jurisdiction of a full-time postmaster. I want to suggest that there are many people

who have been or who are handling mail at present who would be quite prepared to undertake such a service.

• (4:40 p.m.)

I might say that the primary consideration of some of the Postmasters with whom I came in contact was not the matter of revenue. Rather it was that he was providing a community service, be it from a garage, service station, store or some other community facility, and operating the post office was one way of rounding out the service that he was providing to his patrons in the community. Of course, it also helped to ensure that people would return to his place of business for other services as well. I hope the minister will take a close look at the suggestion I have made, namely, that where it is difficult to justify a full post office, a sub-post office be established under the jurisdiction of a neighbouring post office and postmaster. I feel this is vital because other elements of government policy being advanced at the present time seem to indicate that the government wants to find ways and means of saving rural Canada, and of maintaining viable rural communities. The provision of postal services has to be integrated in any such proposals. Thus, I commend the suggestion that I have made to the minister.

[*Translation*]

Mr. Roland Godin (Portneuf): Mr. Speaker, I do not intend to delay the debate on Bill C-240, but I take this opportunity to congratulate the minister for the good service provided so far by his department.

Insofar as the service is concerned, between Ottawa and Quebec City for instance, I can say that it is practically a success. Furthermore, when it comes to first class mail between Ottawa and Quebec City, or any area in Portneuf, it is always a 24-hour service, which means that a letter posted in Ottawa around two o'clock in the afternoon will arrive at its destination at about the same time the next day.

On the other hand, the service between Quebec City and Ottawa is always slightly slower. I therefore ask the Minister without Portfolio responsible for the Post Office (Mr. Côté) whether a little investigation might not help bring about some improvement in that area.

With regard to second class mail, delivery may be a bit slower, but I feel the employees of the department honour their commitments according to the standards set up for that class of mail.

I should like to point out one more thing: I fail to understand why, in a municipality like my own, two contractors should have Post Office contracts to deliver the rural mail and do not work during the same hours. One of them serves 150 homes, every day, in the afternoon. The other, serves 65 homes in another area, during the forenoon, and delivers the newspapers of the previous day. Considering the fact that the people of that municipality, 30 miles out of Quebec City, receive their daily papers only on the following day, I would not be surprised if some of the news had lost some of its interest.

They claim that they provide a better mail service through morning delivery, but most families complain that they get their newspaper the day after although they do not live far from Quebec City.

I have already mentioned the fact to the hon. minister who sent me the following reply on October 14, 1970:

Dear Mr. Godin:

I refer to previous letters about the representations you made to me in order to have mail and newspapers delivered to customers of Rural Route No. 1 in St. Basile Station (Que.) the day they are received at the post office.

An investigation has revealed that the bulk of the mail is received at 8:30 a.m. and for this reason on Rural Route No. 1, St. Basile Station, the delivery is preferably made in the morning. Moreover, the rest of the mail and the dailies *Le Soleil* and *L'Action* arrive in the afternoon.

We have also established that out of 64 customers on that rural route, only 12 have subscriptions to the two dailies. Consequently, so as not to delay the delivery of the bulk of the mail, we think we must maintain the morning service and not change it for afternoon delivery.

Another advantage of morning delivery is that it can be made in daytime throughout the year, thus reducing for carriers the risks of accidents which would undoubtedly be more numerous if they had to work after sundown.

Yours truly,
Jean-Pierre Côté

Now, the minister states that there are 12 subscribers to the dailies. It is obvious that they are not interested in obtaining the newspapers of the previous day. We can imagine what would happen if a headwaiter waited until the following day of a wedding to purchase the wedding cake. He would certainly lose some customers! Now 12 out of 64 families receive Quebec City newspapers. It is ridiculous. The service is simply bad, at least in that area. Moreover, the St. Basile rural route which services the other section of Cap-Santé parish—part of the rural route of which is on Highway 10—is serviced in the afternoon and without accident. Therefore if a carrier can service 150 families in half a day without accident in 10 years, I feel that another carrier who must service only 64 users along country roads could certainly do so without accident.

I feel that we must change our methods so as to find the means to give satisfaction to the people of the whole region.

Another matter which, to my mind, should be revised by the department is the present requirements on the minimum number of families for the establishment of home delivery service.

In large cities, there is no problem; everyone gets good service and the people are generally satisfied.

In rural districts where villages are rather small, where everyone can call at the post office for his mail without having to cover too great a distance, things are not too bad.

All rural regions are fairly well served by the carriers who deliver rural mail. But considering that the rural population of Portneuf, the riding that I represent, is only 10 per cent of the total population, some modern small towns get very poor service indeed.

I do not blame the minister for what is taking place now. But I would point out to him that if such is the situation in our modern small towns, an old regulation is

the culprit since it stipulates that mail should be home delivered only where population reaches 2,000 families.

Now, to get 2,000 families in an old section of Hull, for instance, at a time when lots sold were not over 40 feet wide, or in old sectors of Trois-Rivières or still in certain parts of Quebec City where houses are as close to one another as boxes in a warehouse, it is rather easy. But today, for the greatest enjoyment and satisfaction of all, town-planning committees have been set up in our smaller towns. Mayors are forward-looking and aldermen are doing their job very well. Wider streets have been laid out. Lot standards have also been established so that everybody may have some space, a front lawn, flowers and trees.

Apartment buildings being very rare in those small modern towns, it follows that before the figure of, for instance, 1,500 households may be obtained, people have to walk or take an opportunity to go to the post office which is sometimes one mile from their homes.

When we ask the minister to establish a sub-post office, he informs us that such a service would be possible in municipalities which already have home delivery.

The point I want to make is that today, the fewer services we have as a result of certain regulations, the less chance we have of obtaining them.

And I repeat that when a municipality asks for a sub-post office, it must already enjoy home delivery service. One does not go without the other.

I think that this is a point really deserving consideration, in order to reach solutions which would bring about some equity.

You take out a newspaper subscription. If the paper comes by mail, the price is the same whether the service is good or bad. The newspaper people cannot do anything about it.

When a citizen mails a letter, it always costs the same price, whether the addressee gets it from the mailman or has to walk a mile to fetch it.

Since the Liberal government has tried to eliminate regional discrepancies, I feel the minister in charge of the Post Office (Mr. Côté) should leave no stone unturned to ensure uniformity of the Canadian postal service.

I should also like to refer to the building of post office buildings which is, I know, a responsibility of the Department of Public Works, whose plans are generally good. It has managed to put up quite luxurious and spacious buildings at not too high a cost. But what is unsatisfactory is the exterior finish of these post offices.

For instance, we know that Portneuf supplies great quantities of granite and stone for the building trade. I still remember quite clearly that a post office had been built at Saint-Marc-des-Carrières, where all the stone used for the Parliament buildings in Ottawa came from. At present, Portneuf still supplies stone to Montreal and Toronto.

Moreover, a quarry at Rivière-à-Pierre, another community in Portneuf, also ships most of its granite production to Italy and to several other parts of the world. It also happens that some of it comes back to us from New York and even from California. It is rather strange, but that is what actually happens. We export our raw material to other countries and they come back to us as finished products.

However, what is even more strange is that when the department recommends the construction of a post office in a community, specifications call for a finish of imported artificial stone.

I realize that the Postmaster General is not completely responsible for this situation, but again, I feel that he should bring to the attention of his colleague, the Minister of Public Works (Mr. Laing), the situation I have just mentioned with regard to the construction of post offices in the Quebec area, especially in Portneuf.

I know that as a rule, plans are mass-produced. I also know that artificial stone manufacturers make enough profits to promote the sale of their products. However, the minister will agree with me that whether it be wood or stone, an imitation can never match the real thing. A fine and well finished wood is always an eye-pleaser. The same goes for stone and granite. One does not need to be an expert to know that granite is durable, and will keep its colour. And, since the granite found in Rivière-à-Pierre comes in several colours, I urge the minister to advise the architects of the Department of Public Works to get in touch with the managers of the quarries in Portneuf, so that our post offices may be built with good and cheap materials that, above all, will not lose their colour.

• (4:50 p.m.)

[*English*]

Mr. John L. Skoberg (Moose Jaw): Mr. Speaker, when most politicians begin to speak they say, "It won't be long, will it?" I shall only take a few minutes before the minister responds to some of the observations made in the discussion of Bill C-240.

When appearing before the Standing Committee on Transport and Communications, the previous Postmaster General made it very clear that there would be no further closings of post offices in this country until a thorough investigation was made of the social and economic conditions in the areas affected. I should like to remind the Acting Postmaster General, no doubt soon to be the fully-fledged Postmaster General, that this commitment was given and I hope that he will honour it. I hope residents of affected areas will have an opportunity to present their views.

Not too long ago a statement was made before the committee that the Post Office Department intended to take every possible measure to reduce the deficit and to arrive at a balanced budget within a few years. Unfortunately, at that time the words "reasonable" and "social" were left out of the commitment. It must be realized that the postal service in Canada helps unite the country from east to west and that this is very important. Vast distances must be contended with and we realize that this adds considerably to the cost of the postal service. If the

cost of moving mail across the continent is to be met, then of course we must expect bills such as this to appear several times a year.

Not too long ago at a meeting of the Transportation Research Forum in the United States the question of postal pricing policy was dealt with. A paragraph in the report of that forum deals with one of the problems we face in this country, and reads as follows:

> Postal service is international and domestic. Postal services are not limited to the concentrated business community and the highly populated city and suburban residential areas. They are available to every rural community and farm, to every outpost no matter how isolated. Postal services are not, nor can they be, limited to those services and coverage which are economically feasible.

I am sure the minister realizes that in this country as well, postal service must be provided to people in the outposts, to the rural community as well as the densely populated urban centres.

About a year ago a statement was issued by the Post Office Department to the effect that new facilities would be built, particularly in Montreal and Toronto. I hope it is realized that the smaller centres are entitled to the same type of service and the same consideration as large urban areas. I believe that when governments engage in a business activity it is because of a desire to encourage the growth of the nation and I am sure that is the case in this instance. However, concern for the welfare of the nation must take into consideration cost increases which will affect the people directly. I think it is disgraceful that we were not able to deal more favourably with those citizens who live on a fixed income. We failed to allow for an escalator clause in the Old Age Security Act yet bills such as this make extra demands on that fixed income. True, only pennies are involved today but the welfare of the nation is affected.

I can appreciate the fact that the government would like to operate the postal service on a break-even basis, but it must be remembered that Canada is one nation from east to west, entitled to a uniform postal service. I have the highest respect for the former Postmaster General, but I believe he was used as a hatchet man by some people in the government. He was brought into the picture to make changes in the postal service but at the same time was told that it must operate on a break-even basis. If the present minister has been given the same set of instructions, he is being used as a hatchet man as well. The whole social picture requires more than this if we are concerned about people in all corners of the nation.

It is well known that in situations such as this the government hires consultants. In my opinion, these consultants often forget about the social sciences. When the minister hires consultants, I strongly urge him to hire them on the basis of competitive tenders and not on the basis of selective invitation. Also, when he hires consultants I hope he will make sure that they are social scientists and that sociologists are included among them. It seems to me that we have become primarily concerned about economics without worrying about the social consequences of our course of action.

Post Office Act

• (5:00 p.m.)

I, personally, believe that the so-called pork barrel approach to filling post office positions across the country has come to an end in most places. People generally realize that post office vacancies must be filled according to ability, and the people in the area best suited for the jobs have filled vacancies. I hope we will never return to the pork barrel era in politics in filling these positions. If we do, without question the credibility of our post office will suffer, as it has suffered in the past. I hope the minister will have something to say about that when he responds in a few moments.

We are absolutely opposed to increasing the first class mailing rates at this time. Our position is that all types of mail, parcel post included, should share in the increased burden. Also, we do not believe that special concessions should be given to vested interests. The minister is obligated to explain to this House and the people of this country why certain vested interests have obtained special concessions with regard to postal rates. Unless he does that, he will not convince the people of this country that they are not being made to pay the shot for those vested interests outside this country that are being given great privileges to which they are not entitled. I hope that these privileges will stop and that all mail will be treated equally. In short, we do not want to hinder the ability of our people to communicate with one another across the nation. If we hinder them, it will mean the end of the road for Canada. I think we are concerned about Canada and concerned about the country's welfare. I think we want to make sure that people can communicate with one another at a reasonable price. If the incomes of people now on fixed incomes were to be increased, we might argue differently. However, on the one hand the government has stabilized the basic old age security income whereas, on the other hand, it has increased the cost of living of these people without considering that, in so doing, it is doing a disservice to them and to the people of this nation.

Mr. Deputy Speaker: Order, please. I ought to advise the House that if the minister speaks now, he will close the debate at this stage of the proceedings.

[*Translation*]

Hon. Jean-Pierre Côté (Minister without Portfolio): Mr. Speaker, during the debate on the Post Office estimates and on the amendments to the Post Office Act, the same remarks keep recurring nearly all the time. This is probably the way things were being done one hundred years ago and the way they will be done a hundred years from now.

During such debate, the postal service is generally criticized and, very often, there is an hon. member who takes this opportunity to deal with items which are particular to his riding. This is normal. I must add that if on the one hand the Post Office Department has been criticized rather severely, on the other hand there have been attempts made both on the opposition and the government sides to be as objective as possible. Several mem-

bers have even commended the department for the efficiency of its service. I want to thank all those who participated in this debate.

Mr. Speaker, we must be realistic and we cannot expect wild cheers for a legislation aiming at increasing the postal rates on any class of mail. Hon. members cannot be blamed for taking this opportunity to criticize the minister in charge.

In my remarks on the motion for second reading, I will not be able to reply to all the questions and to all the remarks. The committee which will study this bill will be in a better position to do it and if I cannot reply at the committee stage, I will personally get in touch with members who have raised specific problems.

In his remarks, the hon. member for Wellington (Mr. Hales) said, and I quote: "I had a public relations job to do." I can assure him that I will appoint nobody from the opposition to do this job.

If all the department's clients were to read what the members have said during this debate, it would be enough to discourage them. However, most of our clients have a better opinion of the Post Office than some hon. members.

It is true that our postal system is not perfect and that we have much to do to improve the department's reputation. We can accept these critics but we can keep our heads high since, in spite of all the difficulties the department has been meeting and is still meeting, we have maintained a kind of service which compares favourably with any postal service in the world. The steps and decisions recently taken will significantly improve this service.

It has been said and repeated in the past—before 1963, if my memory serves me right—that the department was making profits. Perhaps this was true in the books but if the account system had been the same then as it is now, those profits would have turned into deficits. In fact during those years, the department did not have to pay rent and the fringe benefits of the employees were not paid by the Post Office Department but by the Treasury Board.

Today those expenses remain in our accounting books and the bill now before us will also fill in another gap, as it will require other departments to pay all their mailing expenses.

Some people wonder why, and rightly perhaps, after a rather substantial increase in postal rates in 1968, we had a $120 million deficit in 1970. As I already said, it is because of a tremendous decrease in mail volume, mostly due to transportation disruptions in Montreal, in the spring of 1970, and to rotating strikes in the summer of 1970.

Several members during this debate ask us to cut our expenditures. But how could it be done when practically all the costs incurred are for workers salaries and transportation expenses? People seem to forget very quickly, Mr. Speaker, that changes were long overdue in the department.

Have we already forgotten the Montpetit report on the working conditions in the Post Office Department? We could certainly save some money, but I hope we shall never go back to the system under which employees worked for starveling wages in outmoded buildings.

Mr. Speaker, a visit to certain offices where all improvements are not completed yet would show that no public servant from any other department would work in our buildings. Even though postal workers have the reputation of being militants, I feel they have shown great patience in some cases.

As far as our buildings are concerned, a five-year renewal and building program was undertaken in 1970. Its total cost is more than $300 million and it will take care of more than 800 post offices across the country.

In the city of Montreal only, the program providing for the construction of new post offices will cost about $60 million, whereas in the city of Toronto, a similar program will cost about $75 million. Moreover, as an essential tool for the planned updating of the Post Office, a five-year mechanization program of postal operations was recently approved by the cabinet.

The total cost of this program will amount to about $80 million. The mechanization of postal operations will ensure a much faster service. In certain cases, it will speed up mail delivery by several hours.

Finally, in order to offer its clients improved services, the department has decided to lauch new programs. I have already mentioned the assured mail program. No doubt, it is effective. It is not merely a publicity gimmick, as a member suggested.

We expect from this program a dependable postal service on which the Canadian people can rely. This program, launched last winter in Toronto, has since been implemented in four cities of western Canada: Winnipeg, Calgary, Edmonton and Vancouver. It will be established very soon in the Ottawa-Hull area, and in the city of Montreal, next July. It will progressively extend to practically all Canadian cities by the end of 1972.

• (5:10 p.m.)

Mr. Speaker, until this system becomes fully operative and because our whole transportation system and our pricing methods must be changed, it may be that in some cases our service will be far from adequate. People are of course impatient.

Another program designed to hasten mail deliveries is known as the "Postal Code". It has been initiated here in Ottawa on April 1. By the beginning of 1974, the Code will be a permanent part of every Canadian postal address. This Code, which is an alpha-numeric combination, has unparalleled accuracy. It contains a great deal of information and it can even designate a single building in the case of a large apartment of office complex containing many units.

The new service, Mr. Speaker, reflects the concern of the Post Office to better serve Canadians. When I announced certain changes such as re-establishment of wicket service on Saturdays, we were applauded for that step. My announcement that the door-to-door delivery had been resumed in some cities, a service that had been frozen in 1968, was again applauded. The announcement

that we would not close any more small rural post offices except for extraordinary reasons got the same response.

Of course, since those announcements, the service has improved some. This is only a brief idea of the re-organization of the postal service.

In all fairness, it must be recognized that the program represents the biggest effort of a government to update the postal service. It is understandable that, as the minister in charge of the Post Office, I feel so proud. Never has the Post Office Department had so much money to spend in all its history to give the postal service the efficiency Canadians deserve. When all this is achieved, Mr. Speaker, we will have the most automated and fastest postal system in the world.

[*English*]

The post office is also investigating a number of new services which will supplement and complement the existing range of postal services. These are planned for introduction in late 1971 and 1972. One program being tested at the moment will provide mailers with the opportunity of bulking their mailable material in bag lots between major points at substantial savings. We have given this new service the name "Postpak", and you may expect to hear more about it.

We are also looking into an entirely new type of superfast service for letters, documents and business information within and between major cities or wherever a suitable market exists. This service will operate on the same principle as assured mail except that the mailing deadlines will be substantially later, with guaranteed over-night delivery. Naturally, the price charged will be commensurate with the service offered, but will provide businesses and individuals with a service capability that does not presently exist. As I have already said, we have lost some business in the post office during the past few years. We are going to get that business back and we are going to give much better service.

The hon. members for South Western Nova (Mr. Comeau) and Battleford-Kindersley (Mr. Thomson) have raised questions about delegation of the powers of the Postmaster General, as proposed in clause 1, subclause (3) of the bill. First, let me point out that the power to delegate is being sought for the purpose of making field management in the postal service more effective by enabling it to respond quickly when the need arises in a particular situation. Such authority will be delegated by the Postmaster General personally, on the basis of need, and confidence in those to whom authority will be conferred. Furthermore, the Postmaster General will continue to be accountable for the postal service. Those to whom authority is delegated will exercise that authority in his name and he will be answerable for any action taken.

When delegated, the authority will be exercised within policy guidelines established by the Postmaster General. The sole purpose of the proposed delegation of authority is to enable us to derive the full benefit of decentralized administration, by making it possible for field managers to deal promptly with problems that arise, without the necessity of awaiting decisions from headquarters. No powers which are not already delegated to the deputy minister will be delegated to other persons.

Members have raised the question of what happened to the studies that were conducted from September 1968 to November 1969 by the firm of Kates, Peat, Marwick and Company. Their findings were published in the book "Blueprint for Change" on November 1, 1969. This report was tabled in the House of Commons on December 11, 1969. Since that date the feasibility of converting the post office to a Crown corporation has been, and continues to be, the subject of active consideration by the government. Given the country-wide effects of such a change, it is not a matter to be entered into lightly.

• (5:20 p.m.)

A number of representations have been made on the subject of charges assessed to rural box holders. At the present time, customers in towns and villages not having letter-carrier delivery are entitled to free general delivery service across the counter at their local post office. If they wish the additional convenience of a locked box, a charge is made. In cities and town where letter-carrier delivery is provided, locked box service is also available but at a charge which is about twice that made to rural residents. Nevertheless, we are examining this general situation and are reviewing our entire policy with respect to locked boxes and the relative scale of charges assessed to both rural and urban residents. Our objective will be to achieve the greatest degree of equity possible, making allowance for differing conditions and needs.

An hon. member, I think it was the hon. member for Wellington (Mr. Hales), has raised the question of delays in the delivery of unaddressed householder mail. I am pleased to inform the House that following consultations with the unions delivery time for householder mail has been reduced from seven consecutive delivery days to five for magazines or the catalogue type of mail and three delivery days for the flyer, card or envelope type of householder mail. This improvement in service took effect as of June 1.

It is the intention of the Canada Post Office, I might add, to establish appropriate delivery specifications for classes of mail other than first class, once the assured mail program has been implemented across Canada. Other classes of mail will not receive the same type of priority in handling and will not as a rule be carried by air. This is one of the reasons they are cheaper. Nevertheless, we believe reliable delivery specifications can be provided which will emphasize regularity and consistency, rather than high speed. The quality of service and the cost of providing the service justify the substantially lower rates which will apply to these classes of mail. As in the case with the assured mail program, the quality assurance program will measure results in relation to specification, on a continuing basis.

Comments have been made concerning the imbalance of foreign mail, and the cost of handling this mail. In discussing the costs incurred by the Canada Post Office in the handling of incoming foreign mail, reference was made to a universal postal congress which would take place on July 1, 1971. The last congress of the Universal

Division

Postal Union took place in Tokyo in 1969 and the next will not take place until 1974. However, the new Acts of the Universal Postal Union Congress will become effective July 1, 1971 and the new convention will contain provisions for compensating postal administrations, like Canada, which receive more mail than they despatch. The compensation rate authorized by the Tokyo Congress is 8 cents per pound calculated on the imbalance of traffic. This rate is far too low to cover actual costs, but it is under review in the Universal Postal Union and hopefully will be set at a more realistic level by the next congress in 1974. These provisions will also apply to our imbalance of traffic with the United States. I can add that some officials of my department will be in Washington on Monday to discuss the question of the imbalance of traffic with the United States with their counterparts in an effort to obtain a new agreement in this area.

Now, a word about what has been happening with respect to those groups and associations which have asked to be excluded from the effects of the increase in third class rates on the ground that this is so vital a matter to them. They appreciate the problem involved, but think a solution can be found. They also realize that a similar problem is being faced in the United States with respect to this class of mail, and that the post office there is looking for a way of reducing these losses. But I will have an answer for these people before the end of the debates which are now taking place.

In closing, I want to say that in my department priority is being placed on service and I believe we are now giving Canadians the kind of service they deserve.

The House divided on the motion which was agreed to on the following division:

• (5:30 p.m.)

YEAS

Messrs:

Anderson
Barrett
Basford
Béchard
Beer
Benson
Blouin
Breau
Buchanan
Caccia
Cafik
Chrétien
Clermont
Cobbe
Comtois
Côté (Richelieu)
Côté (Longueuil)
Crossman
Cullen
Cyr
Danson
Deachman
Deakon
Dubé
Dupras
Duquet
Émard
Faulkner
Forest
Forget
Foster
Francis
Gendron
Gervais
Gibson
Gillespie
Gray
Guay (St. Boniface)
Guilbault
Haidasz
Hymmen
Jerome
Kaplan
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Laniel
Leblanc (Laurier)
Lefebvre
Lessard (Lac-Saint-Jean)
Loiselle
MacGuigan
McBride
McIlraith
McNulty
Mahoney
Major
Marceau
Marchand (Langelier)
Morison
Munro
Noël
O'Connell
Penner
Pepin
Prud'homme
Reid
Richardson
Roberts
Robinson
Roy (Laval)
Serré
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Okanagan-Kootenay)
St. Pierre
Sullivan
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Watson
Weatherhead
Whicher
Yanakis—88.

[Mr. Côté (Longueuil).]

NAYS

Messrs:

Aiken
Alkenbrack
Asselin
Barnett
Beaudoin
Bell
Broadbent
Burton
Cadieu
Comeau
Crouse
Dionne
Downey
Forrestall
Fortin
Gilbert
Gleave
Godin
Grills
Gundlock
Hales
Harkness
Howe
Knowles (Winnipeg North Centre)
Korchinski
Lambert (Bellechasse)
Lambert (Edmonton West)
La Salle
Latulippe
Lewis
Lundrigan
MacDonald (Egmont)
MacInnis (Mrs.)
MacLean
Macquarrie
McCleave
McCutcheon
McGrath
Marshall
Mazankowski
Moore
Murta
Nesbitt
Noble
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rondeau
Rose
Ryan
Rynard
Saltsman
Schumacher
Scott
Skoberg
Skoreyko
Stanfield
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Winch
Woolliams—64.

• (5:50 p.m.)

Mr. Speaker: I declare the motion carried.

Bill read the second time and referred to the Standing Committee on Transport and Communications.

* * *

BUSINESS OF THE HOUSE

Mr. Jerome: Perhaps I could give the business of the House for Friday, which had originally been agreed upon to be an opposition day. Since that agreement has been changed, Friday will be a government day. We will commence on Friday with The Canada Development Corporation, followed by the Prairie Grain Advance Payments Act and subsequently the Judges Act. This will be the schedule for Friday. Subject to a further meeting of

House leaders which will take place early next week, there have been consultations concerning an order in the following terms on which, I understand, there may be unanimous agreement of the House: that on Mondays, June 7 and 14, and Tuesdays, June 8 and 15 and Thursdays, June 10 and 17 of this year, the ordinary hours of sitting of the House shall be from 11 a.m. to 1 p.m.; 2 p.m. to 6 p.m. and 8 p.m. to 10 p.m., and that, when any such day is designated as an allotted day for the consideration of the business of supply under the provisions of Standing Order 58, the proceedings on that business shall be interrupted or disposed of no later than 6 p.m., in order that government business may be considered from 8 p.m. to 10 p.m on such day and that the daily adjournment proceedings shall not be set aside by virtue of the operation of this order;

that for the purposes of section (5) of Standing Order 58, the number of sitting days allotted to the consideration of business of supply in the period ending not later than June 30, 1971 shall be fixed at ten, provided that an additional three sitting days shall be added to the total number of days allotted for the consideration of the business of supply in the period ending not later than December 10, 1971;

and that the order of business and procedure set out in section (10) of Standing Order 58 shall apply to the tenth allotted day in the current period and to the eighth allotted day in the next ensuring period.

Business of the House

Mr. MacLean: Mr. Speaker, the statement made by the parliamentary secretary represents the agreement which was arrived at by the House leaders, and we in this party give unanimous consent for it to be made an order.

Mr. Knowles (Winnipeg North Centre): The statement of my hon. friend is also correct, and we also agree.

[*Translation*]

Mr. Fortin: We were at the meeting, Mr. Speaker, and we agree.

[*English*]

Mr. Speaker: I have to assume that there is unanimous consent, since I have not heard from the independents in the House. Is there unanimity?

Some hon. Members: Agreed.

Mr. Speaker: I understand there is unanimous consent and it is not necessary for me to repeat the terms of the order suggested by the parliamentary secretary.

It is agreed and so ordered.

It being six o'clock, I now leave the chair. This House stands adjourned until tomorrow afternoon.

At six o'clock the House adjourned, without question put, pursuant to Standing Order.

HOUSE OF COMMONS

Thursday, June 3, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

[*Translation*]

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

Second and third reports of Standing Committee on Miscellaneous Private Bills and Standing Orders—Mr. Forget.

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

* * *

[*English*]

HEALTH

STATEMENT ON PRESENCE OF TYPHOID ON LIBERIAN FREIGHTER "BIRTIE MICHAELS"

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, I wish to make a brief statement to the House concerning a confirmed case of typhoid aboard the Liberian freighter *Birtie Michaels* which is presently berthed in Thunder Bay, Ontario.

The United States Public Health Service authorities have informed my officials that a suspected case of typhoid contracted by the wife of a crew member has been confirmed. This occurred at Chicago, Illinois, and following a full health inspection the vessel was cleared for passage to Thunder Bay. On arrival at Thunder Bay on the night of June 1, the *Birtie Michaels* was held at anchor pending a full investigation by federal, municipal and provincial health authorities.

On the morning of June 2 the ship was boarded by federal and municipal health officials, the crew medically examined, and the food, water, eating and sanitation facilities thoroughly checked. None of the crew were found to have symptoms or signs suggestive of typhoid. However, two crew members with minor symptoms not specific to typhoid have been removed to the Port Arthur General Hospital for observation.

Following the examination the ship was allowed to proceed under strict surveillance to its berth to load its cargo. The crew are confined to the ship and are being medically examined daily, and will not be allowed ashore until released by federal and municipal health authorities.

I wish to assure the House, the people of Thunder Bay, and indeed all Canadians that every necessary measure is being taken to ensure the safety and health of the crew of the *Birtie Michaels* and of all Canadians. At the same time I would like to acknowledge the assistance and co-operation of the U.S. Public Health Service, the Ontario Department of Health, and the local hospital, medical and harbour authorities in Thunder Bay.

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I listened with interest to the brief statement by the Minister of National Health and Welfare concerning the confirmed case of typhoid aboard the Liberian freighter *Birtie Michaels* which is presently berthed at Thunder Bay, Ontario. According to the statement, it was reported by the U.S. Public Health Service that they had discovered a case of typhoid in the wife of a crew member. This occurred at Chicago, Illinois, and after a thorough investigation the vessel was cleared for passage to Thunder Bay.

My understanding is that this boat came from Spain, having sailed on May 7, 1971, with a crew of 24. On May 19 the ship arrived at Montreal where the woman was given treatment by a physician but she was still ill when the ship was passing by Detroit. At Chicago she was placed in hospital and is being treated there for typhoid fever.

The necessary checks on food and drinking water on the boat were done. Rectal swabs were taken and no symptoms or signs of typhoid were discovered. The boat was allowed to proceed to Thunder Bay where it was again rechecked thoroughly by the Canadian authorities, provincial, municipal and federal, and the ship is still being kept under surveillance.

This would appear to be a case where the infection was picked up on or before the boat left Spain and presents a minimum of danger to the Canadian people. It is, however, a little disturbing to note that references to typhoid fever are creeping more and more into the news when proper sanitation and vaccination can control it.

ORAL QUESTION PERIOD

EXTERNAL AFFAIRS

AGREEMENT ON SECURITY OF WEST BERLIN AS PREREQUISITE TO CONFERENCE ON BALANCED FORCE REDUCTIONS IN EUROPE

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the right hon. the Prime Minister a question relating to our position during the discussions in Lisbon regarding NATO. Is it still a prerequisite to the holding of a European security conference as far as Canada is concerned that a security arrangement must be made with regard to West Berlin? Is this still a prerequisite in the view of the Canadian government, as it was last December when the NATO council took this position?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can only attempt to answer the question in the very same terms that I answered it a few days ago: it is not a prerequisite in the sense that we do not feel that the Berlin question must be settled finally before even sitting down to discuss mutual and balanced force reductions in Europe. However, we do feel that before a conference on European security can usefully be held we will have to know that there are conditions for progress which have been achieved. One of those conditions for progress is that we should know there is some palpable and possible solution to the Berlin question.

Mr. Stanfield: I have a supplementary question for the purpose of clarification. Then it is no longer the position of the government of Canada that there has to be a security arrangement regarding West Berlin before a European security conference would be appropriate?

Mr. Trudeau: Mr. Speaker, I should like to know if the Leader of the Opposition is asking whether the Berlin question would have to be settled finally in every way before we would sit down to discuss other questions with the Soviet Union.

Mr. Stanfield: No, Mr. Speaker. What I am asking the Prime Minister is whether the position of the government of Canada and the position to be taken by the Secretary of State for External Affairs at the NATO conference is the position that Canada took last December along with our NATO allies or whether this position has been changed, as I believe the Prime Minister has just indicated to me that it has been changed?

Mr. Trudeau: Mr. Speaker, the answer is that it has not been changed.

CANADIAN RECOMMENDATION THAT RUSSIAN MUTUAL TROOP REDUCTION PROPOSALS BE INVESTIGATED BY NATO ENVOY

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a supplementary question for the Prime Minister on a related matter. Is the Secretary of State for External Affairs recommending to the foreign ministers at NATO that an envoy be sent to eastern Europe to investigate Russian proposals for mutual troop reductions?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker, the view has been expressed by the Secretary of State for External Affairs that such an envoy should be sent.

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WELFARE

CONSIDERATION OF JURISDICTION OVER SOCIAL SECURITY AND WELFARE AT FORTHCOMING MINISTERS' MEETING

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Minister of National Health and Welfare arising out of various speculations that have taken place. Can the minister inform the House whether the question of jurisdiction over social security and welfare is on the agenda of the meeting of welfare ministers to be held next week, particularly in view of the demands of some provinces that they have full jurisdiction in these fields?

Hon. John C. Munro (Minister of National Health and Welfare): The matter of social policy is on the agenda Mr. Speaker.

Mr. Lewis: A supplementary question, Mr. Speaker. I would guess that the meeting of ministers of welfare would discuss social policy; that would not be very revealing. I asked the minister whether the question of provincial or federal jurisdiction in the fields of social security and welfare is on the agenda in preparation for the constitutional conference?

Mr. Munro: The jurisdictional aspect of social policy is not an item on the agenda, Mr. Speaker. We will be talking in terms of the various policies we have enunciated in the white paper and the suggested and proposed changes we might have to offer to meet some of the views advanced by the provinces and other people generally.

JURISDICTION OVER SOCIAL SECURITY AND WELFARE—DISCUSSION WITH PREMIER BOURASSA OF INCLUSION ON CONSTITUTIONAL CONFERENCE AGENDA

Mr. David Lewis (York South): Mr. Speaker, may I direct a supplementary question to the Prime Minister. Did his recent discussions with the Prime Minister of Quebec with regard to items to be discussed at the constitutional conference touch upon the question of jurisdiction in the fields of social security and welfare and, also, will the Minister of National Health and Welfare be accompanying him to Victoria on whatever date the conference may now be held?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to both questions is yes.

DISCUSSIONS WITH PROVINCES OF FURTHER FINANCIAL ASSISTANCE TO CITIES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, may I direct a supplementary question to the Prime Minister. In view of reports that cities in various parts of Canada, because of the financial squeeze in which they find themselves, are cutting back on the categories of people who can get welfare, will the government discuss with the provinces the raising of the percentage which the federal government pays under the Canada Assistance Plan to meet the costs of welfare?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are coping with that in other ways. I must remind the House that the meeting in Victoria is to be primarily a constitutional one and that the meeting of ministers of health and welfare previous to it has been asked to report to the constitutional conference. The discussion in Victoria will revolve mainly around constitutional matters. What will be discussed between the welfare ministers would be, I think, couched in those terms.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

In order to facilitate the task of the delegates to the conference which will soon be held in Victoria, could the Prime Minister ask the Minister of National Health and Welfare to state clearly the views of the federal government on the Castonguay report dealing with powers in social matters before the conference or could he make that statement himself on behalf of the government?

Mr. Speaker: I suppose that the hon. member is suggesting to the Prime Minister or to a government representative that they should make such a statement before the conference. That statement could not be made at this time, but rather on motions.

[*English*]

PRELIMINARY STUDY OF CONDITIONS BY MINISTER PRIOR TO MINISTERS' CONFERENCE

Hon. Robert L. Stanfield (Leader of the Opposition): I have a supplementary question, Mr. Speaker. May I ask the Minister of National Health and Welfare whether, in preparation for the conference with the provincial ministers next week, he has conducted any preliminary studies himself as to welfare conditions across the country and as to the adequacy of welfare programs, and has satisfied himself of the extent to which Canadians may be suffering as a result of inadequate welfare programs?

Hon. John C. Munro (Minister of National Health and Welfare): Mr. Speaker, yes, I have looked at all those matters mentioned by the Leader of the Opposition.

Mr. Speaker: Order, please. Several hon. members are seeking to ask supplementary questions. Before returning to the subject and recognizing, among others, the hon. member for Fraser Valley West, the hon. member for Charlevoix and the hon. member for Oxford, the Chair will first recognize the hon. member for Portneuf.

[*Translation*]

The Chair recognizes the hon. member for Portneuf. The House will return to the subject in a moment.

* * *

AGRICULTURE

CANADIAN MINK BREEDERS' ASSOCIATION—REQUEST FOR GOVERNMENT ASSISTANCE

Mr. Roland Godin (Portneuf): Mr. Speaker, I would like to put a question to the hon. Minister of Agriculture.

Did the Canadian Mink Breeders Association make representations recently about its financial difficulties and in the affirmative, does the minister intend to make a statement to the House soon to announce the measures he is considering to help it?

[*English*]

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I believe representations were made by this association but not recently. I believe they were made about five or six weeks ago. I do not intend to make a statement in the House soon.

[*Translation*]

FEDERAL-PROVINCIAL CONFERENCE

REQUEST FOR POSTPONEMENT BY PREMIER THATCHER—GOVERNMENT POSITION

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I have a question for the Prime Minister.

Will he, as announced in this morning's papers, be taking into consideration the request by the Premier of Saskatchewan for postponement of the Victoria conference?

Right Hon. P. E. Trudeau (Prime Minister): I shall certainly be taking that request into consideration, but I am not sure I can accede to it. I have initiated consultations to establish whether it can be done, but it now seems it would be quite difficult at this date to alter arrangements agreed upon concerning the Victoria meeting.

Finally, after my consultations, I shall send a reply to Premier Thatcher and I shall be glad to communicate it to the House.

[*English*]

Mr. John L. Skoberg (Moose Jaw): A supplementary question. Can the Prime Minister say whether the premier of Saskatchewan was aware of the date of the constitutional conference before he called the provincial election?

Mr. Speaker: Order, please. Perhaps the hon. member is not expecting a reply at this time to the question he has asked.

* * *

WELFARE

ADDITIONAL FINANCIAL ASSISTANCE TO PROVINCES BECAUSE OF LAPSE OF SEASONAL UNEMPLOYMENT INSURANCE BENEFITS

Mr. W. B. Nesbitt (Oxford): I have a question for the Prime Minister. In view of the fact that seasonal unemployment benefits ran out at the end of May and this will involve additional heavy welfare costs for the provinces, is the government considering at the present time giving special assistance to the provinces to meet these extra welfare costs because of the seasonal benefits having expired?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the government's position has not changed since the Minister of Labour dealt with that question some time ago.

* * *

EXTERNAL AFFAIRS

RESETTLEMENT OF REFUGEES FROM EAST PAKISTAN NOW IN INDIA—CANADIAN INITIATIVE WITHIN COMMONWEALTH OR UNITED NATIONS

Mr. Heath Macquarrie (Hillsborough): My question is for the Prime Minister. What initiative is Canada taking within the Commonwealth or the United Nations to bring to a successful conclusion the very serious problem in Pakistan with reference to the possible resettlement of the many millions of refugees now flooding into India?

Inquiries of the Ministry

Right Hon. P. E. Trudeau (Prime Minister): Beyond saying that the matter is under very active consideration, that we have had reports from our High Commissioner in Pakistan, that the department is doing what it can, and that the government has indicated its willingness to assist in solutions when they are found, there is nothing I can add of a more positive nature at this stage.

Mr. Macquarrie: May I ask the Prime Minister if the government intends to take the matter before a Commonwealth body or an appropriate United Nations body hopefully to bring about a settlement?

Mr. Trudeau: I cannot answer at this time, Mr. Speaker.

Mr. Andrew Brewin (Greenwood): A supplementary question. Can the Prime Minister tell the House whether consultations are being undertaken with the United Nations, through United Nations agencies or with the government of the United States and the United Kingdom with a view to the political settlement of this tragic affair?

Mr. Trudeau: I am afraid I cannot answer that question either, Mr. Speaker. I will refer it to the Secretary of State for External Affairs.

* * *

TRADE

POSSIBLE ADMISSION OF GREAT BRITAIN INTO EUROPEAN COMMON MARKET—CONDITIONS FOR ENTRY OF CANADIAN PRODUCTS INTO BRITISH MARKET

Hon. George Hees (Prince Edward-Hastings): My question is for the Minister of Industry, Trade and Commerce. In view of the imminence of Great Britain's entry into the European Common Market and as the only assurances that have been made public regarding the continued entry of Commonwealth products into the British market have dealt with those of New Zealand, will the minister take the first opportunity on motions to outline to the House what assurances he has received regarding conditions of entry of Canadian products into the British market once that country enters the ECM?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Good Lord, Mr. Speaker, I have talked about that on such a number of occasions! The hon. member for Calgary Centre asked me for a global report. I have promised this to him. I might well do so on the budget debate and intend to give a full account of these matters, but I cannot—I know you are about to stop me, Mr. Speaker—discuss the whole issue in one minute.

Mr. Hees: I asked for a statement on motions. The minister has obviously not given any answer at any time. I have a supplementary question. The monthly breakdown between crude, semi-processed and manufactured products is normally made available about a week earlier than this each month and is now almost impossible to obtain. Is the holding up of that report due to the fact that exports of manufactured products have fallen off during April even more than in the sharp fashion they did in the early months of the year?

Mr. Speaker: Order, please. I think that answer might be given by the minister when he makes a statement on motions or whenever he makes a statement to the House, as he indicated when he replied to the original question.

Mr. Hees: Would the minister not take the first opportunity on motions to do this, that is, the next time he is in the House, rather than waiting for the budget debate or some time next fall, next spring or next year?

Mr. Pepin: I will find the reference in *Hansard,* but I gave this information about 10 or 15 days ago. I reported that for the last month about which I was talking at that time, probably April or March, the percentage of manufactured products in our exports had gone up to 40 per cent.

* * *

YOUTH

SUGGESTED PROVISION OF ACCOMMODATION FOR TRAVELLING STUDENTS IN MOSS PARK ARMOURY, TORONTO

Mr. John Gilbert (Broadview): I wish to direct a question to the Minister of National Defence. In view of the fact that many students will be visiting Toronto this summer, thereby creating a serious accommodation problem, would the minister contact Toronto city officials and indicate that the federal government is willing to help these young people to find accommodation by making available the Moss Park Armoury?

Hon. Donald S. Macdonald (Minister of National Defence): We have received no indication from the Toronto authorities that there is any need for the Moss Park Armoury. I would have to check to see whether or not, as last year, the facilities will be in use in connection with the student summer militia program.

* * *

AIR CANADA

PROVISION OF MAXIMUM EMPLOYMENT TO CANADIAN INDUSTRY IN PURCHASING AIRCRAFT

Hon J. A. MacLean (Malpeque): In the absence of the Minister of Transport I would direct my question to the Minister of Industry, Trade and Commerce. In light of the fact that the board of directors of Air Canada has postponed its decision with regard to the purchase of Tri-Star aircraft until June 10, can the minister assure the House that these directors are fully aware of the importance of making the purchase in a way which will provide the maximum of employment in the Canadian air industry having regard to the high rate of unemployment in the industry at the present time?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I am quite sure they are aware of that, Mr. Speaker.

[*Translation*]

THE CENSUS

POSSIBLE PROSECUTION OF PERSONS REFUSING TO COMPLETE FORMS IN UNFAMILIAR LANGUAGE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I should like to put a question to the Minister of Industry, Trade and Commerce.

Can he tell the House whether legal action will be taken against the persons who refused to fill out the census form because it was received in the official language with which they are not familiar?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, indeed, that question is important. The Commissioner of Official Languages took up the matter with us and, last Friday we published a communiqué from which I would like to quote the following extract, if I may:

—those persons who have been unable or unwilling to fill out the questionnaire because they received an English form instead of a French one, or vice versa, need not fear that they have broken the law. A census representative will visit them after June 1 if the form was not returned. The householder will then be given a form in the official language of his choice.

* * *

[*English*]

INFORMATION CANADA

REQUEST FOR TABLING OF REPORT ON SECURITY CHECK ON JEAN-LOUIS GAGNON

Mr. R. N. Thompson (Red Deer): I address my question to the Prime Minister. In view of the fact that the Prime Minister assured the House that he would have a security check made on Jean-Louis Gagnon, the head of Information Canada, but has never informed the House as to the findings, would he consider tabling for the information of hon. members the comprehensive report which was made for the cabinet following this security check?

Right Hon. P. E. Trudeau (Prime Minister): There was no such comprehensive report made for the cabinet. This was a report made just for myself. A question was asked on the subject more than a year ago, I believe, and I replied that I had checked, and that a security check had been made and I had been assured that there was nothing in this case to look at with alarm.

Mr. Thompson: I asked the question only because it had been brought to my attention that such a confidential report was prepared very recently. I should like to know whether we could not have the same assurance as the right hon. gentleman has given to members of the cabinet, even though he says no report has been made.

Mr. Trudeau: I can assure the hon. member, although I might perhaps be divulging cabinet secrets, that this matter has not been discussed in cabinet for more than a year as far as I can remember, and there has been no report of the nature the hon. member has suggested.

[*Translation*]

GRAIN

BARLEY—ALLEGED HIGHER PRICE TO EASTERN FARMERS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the hon. minister in charge of the Canadian Wheat Board.

On May 26, the minister took notice of the question I was asking him and part of which read as follows:

The Canadian Wheat Board is said to have recently sold for export 100,000 tons of feed barley at a price of 93 cents a bushel, F.O.B. Churchill, and my question is: Why do Eastern Canada cattle farmers always have to buy their feed barley at a price higher than that set by the Canadian Wheat Board for export purposes?

Is the minister in a position to answer that question today?

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): As I informed the House when I answered this question on a previous occasion, it is not customary to comment upon the particular prices of transactions between the Wheat Board and any buyer. This is information which is confidential to the buyer and the seller. But I also indicated there was automatically a wide differential between prices in the St. Lawrence ports and in Churchill because of the difference in transportation costs. I have no information which suggests to me there is any alteration in prices as between one area of destination and another. As far as I can tell, prices of feed grain moving out of Churchill and of feed grain leaving the St. Lawrence area reflect differentials which are justified by the difference in the cost of transportation.

IMMEDIATE IMPLEMENTATION OF TRANSITIONAL ACREAGE PAYMENT APART FROM STABILIZATION LEGISLATION

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): I have a question for the minister responsible for the Canadian Wheat Board. In view of the fact that an overwhelming preponderance of the evidence advanced by witnesses representing western farm organizations before the Standing Committee on Agriculture this week during the sittings in connection with Bill C-244 was to the effect that the proposed $100 million transitional acreage payment should be made at once, rather than awaiting the passage of the complete package of legislation because of its controversial nature, would the minister consult with his cabinet colleagues with a view to making this emergency acreage payment at once?

Mr. Speaker: Order. It seems to me the hon. member is bringing before the House the substance of a debate which took place when the bill itself was before us. He is also bringing before the chamber deliberations which are proceeding in the committee on agriculture, and I wonder whether a question in those terms is in order. However, since the question has been asked, perhaps the minister might reply briefly and we will then go on to the next subject.

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Manpower and Immigration): As indicated previously, the various parts of Bill C-244 are all related and the $100 million will be paid out to farmers as soon as that bill, with all its provisions, including the provision for the repeal of the Temporary Wheat Reserves Act, becomes law.

* * *

AGRICULTURE

SALE OF FERTILIZER BY IMPERIAL OIL AT LOWER PRICE IN UNITED STATES THAN IN CANADA

Mr. S. J. Korchinski (Mackenzie): I have a question for the Minister of Agriculture. Has his department investigated the reasons a plant owned by the Imperial Oil Company, which has received a $10 million grant under the government's incentive program, is selling fertilizer in Plentywood, Montana, at $86 a ton while selling it in Canada at $106 a ton? If not, will the hon. gentleman undertake to have such an investigation carried out?

Hon. H. A. Olson (Minister of Agriculture): If the hon. member will give us some evidence of this, I will be glad to look into the matter.

* * *

NATIONAL DEFENCE

EFFECT OF FIRE AT MOOSONEE ON BASE

Mr. Arnold Peters (Timiskaming): I should like to ask the Minister of National Defence whether any damage has been done to the air base at Moosonee by the recent fire? Would the minister also tell us in what way troops have been deployed and used to protect the municipality?

Hon. Donald S. Macdonald (Minister of National Defence): As I understand it there has been no actual damage, at least up the present time, to any of the facilities at Moosonee. The principal participation of the Department of National Defence there has been to fly in a bulldozer from Petawawa and firefighting equipment from North Bay to assist the local authorities to extinguish the fire.

Mr. Peters: May I ask whether the fire is now contained? If not, is there an imminent danger to the base at Moosonee?

Mr. Macdonald (Rosedale): The last report I received was that the fire appears to be under control. We have been watching the situation very closely because of the proximity of the fire to the radar base.

* * *

IMMIGRATION APPEAL BOARD ACT

INQUIRY AS TO AMENDMENTS TO COPE WITH BACKLOG OF APPEALS

Hon. Marcel Lambert (Edmonton West): I have a question for the Minister of Manpower and Immigration. Since there are now some 6,000 appeals pending before the Immigration Appeal Board, does the minister intend to bring in the promised amendments to the Immigration Appeal Board Act before the end of this session, or must we expect to see this continuing sore get bigger over the rest of the year?

[Mr. Speaker.]

Hon. Otto E. Lang (Minister of Manpower and Immigration): In view of the heavy legislative load before the House I have some doubt about our ability to deal with this matter before we adjourn, as things stand at the moment.

Mr. Speaker: Order, please. The Chair will allow a supplementary, but I invite hon. members to be as conservative as possible in regard to supplementaries because we will soon be running short of time.

Mr. John Gilbert (Broadview): Mr. Speaker, it is rather difficult for me to comply with your request but I shall attempt to do so. My supplementary is to the Minister of Manpower and Immigration. Would the minister introduce the legislation prior to the adjournment so that we may study it during the summer?

Mr. Lang: Mr. Speaker, I think we might give consideration to that. The alternative, of course, is to hold it in order to make any last minute improvements to it; but I will certainly give the matter consideration.

* * *

AIR CANADA

BROCHURE INDICATING THAT CANADA EXTENDS ONLY FROM QUEBEC TO VANCOUVER

Mr. J. M. Forrestall (Dartmouth-Halifax East): Mr. Speaker, I have a question that I should have liked to direct to the Minister of Transport but in his absence I will direct it to his parliamentary secretary. Would he investigate a copy of a brochure produced by Air Canada, and appearing on the front page of at least one Canadian newspaper today, which indicates in no uncertain terms that Canada begins with French-speaking Quebec in the east and ends at Vancouver in the west? As a matter of fact, I am getting a little fed up with this.

* * *

INCOME TAX

REPORTED PUBLICITY CAMPAIGN FOR REFORM BILL

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, I have a question for the Prime Minister. In view of reports that the Department of Finance will launch a $1 million publicity campaign in support of the new tax reform bill, may I ask the Prime Minister whether the government plans to undertake such a public relations campaign?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no intention to have a public relations cam-

paign to support, as I believe the newspapers put it, the budgetary measures of the Minister of Finance.

Mr. Fairweather: A million dollars would not be enough for that.

Mr. Trudeau: After the bill has been discussed and hopefully passed by the House and becomes law there is provision not for the Department of Finance but for the Department of National Revenue to conduct a campaign to explain to the taxpayers how the new tax law—

Mr. Fairweather: Explain to the taxpayers how to make out their tax forms.

Mr. Trudeau: Well, Mr. Speaker, I see the opposition is not interested in knowing how the taxpayers' money is spent.

Mr. Crouse: Neither are you.

* * *

CANADIAN CONSTITUTION

JURISDICTION OVER SOCIAL SECURITY AND WELFARE—UNDERSTANDING BETWEEN PRIME MINISTER AND PREMIER BOURASSA FOLLOWING DISCUSSIONS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the right hon. Prime Minister with reference to the question of the constitutional jurisdiction over social security and welfare. Can the Prime Minister say whether in his discussions with Premier Bourassa he and the Prime Minister of Quebec have come to any understanding?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I can truthfully answer that question only after the event. I cannot say now whether there will be an understanding reached in Victoria or not. I hope that as a result not only of my meetings with the premier but the meetings of the Minister of Justice of Canada with the premiers and Attorneys General of all the provinces in the past several months there will be an understanding in Victoria.

* * *

INDUSTRY

TRANSFER OF FORD FOUNDRY OPERATION AT WINDSOR TO FLAT ROCK, MICHIGAN

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct this question to the Minister of Industry, Trade and Commerce; it is not the same question that was dealt with on Tuesday. Has there been any discussion between his department and Ford Motor Company of Canada with regard to the phasing out of their Windsor foundry and the transfer of this work and the jobs to their new plant at Flat Rock, Michigan, and is his department discouraging such a move?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, an explanation was provided by the company about the move and I reported on that very shortly in the House the other day.

Inquiries of the Ministry

YOUTH

OVERSEAS STUDENT EXCHANGE PROGRAM—APPLICATIONS RECEIVED AND APPROVED

Mr. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Minister of Manpower and Immigration a question relating to the international student summer employment exchange program. Can the minister inform the House how many student applications have now been accepted under this program following the information he gave the House on May 17 that only 1,000 out of something over 3,000 had then been accepted?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I would be glad to get another up to date figure.

OPPORTUNITIES FOR YOUTH PROGRAM—BREAKDOWN OF GRANTS BY PROVINCES

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, may I ask the Secretary of State whether any breakdown of the moneys under the Opportunities for Youth program has been made on a provincial basis? If not, will such a breakdown be made and will it be made public?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Obviously, Mr. Speaker, every time a project is approved and a subsidy is granted to its originators, we take into account some criteria as to the distribution across the country and we record those figures. However, I intend to inform the House of this distribution when we reach the end of the funds earmarked for this program so as to avoid any misunderstanding; the House will thus be in a position to assess the balance of this distribution according to the criteria set up when this program was initiated.

[*English*]

Mr. Lundrigan: In view of the fact that once action has been taken no representations can be made by members of the House of Commons or by provincial governments in regard to the provincial distribution of the budget, would the minister undertake to make available now figures regarding what amounts have in fact been spent provincially? Surely to goodness that is not too difficult for the minister. Would he do it now?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I am afraid I have been misunderstood by the hon. member. I indicated that all the funds had not been spent so far while he assumes they have. I said I would give—

Some hon. Members: Ah, ah.

Mr. Pelletier: Then I must be the one who did not get it.

[*English*]

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

Inquiries of the Ministry

Mr. Speaker: Order, please. It seems to me there is some difficulty in communication at this time between the minister and the hon. member. I hope that the question can be asked and answered briefly because, as I suggested a moment ago, we are running short of time.

Mr. Lundrigan: Mr. Speaker, the Secretary of State is guilty of selective misunderstanding. May I ask him whether he will now make available to the House, today or within the next couple of days, the actual amounts of money expended in the form of a provincial breakdown of the expenditures.

[*Translation*]

Mr. Pelletier: Mr. Speaker, I fail to appreciate the hon. member's innuendoes, particularly since they are unfounded. I answered his question, whether he liked the answer or not is none of my business.

* * *

THE CANADIAN ECONOMY

POSITION OF GOVERNMENT RESPECTING STATEMENT BY PREMIER OF ONTARIO

Mr. Henry Latulippe (Compton): Mr. Speaker, I wish to address a question to the Prime Minister.

Would he indicate his reaction to the recent statement by the premier of Ontario to the effect that it is the socialist philosophy of the federal government which has brought the Canadian economy to a standstill and that it is about time that the citizens be given a chance to work? Have the Prime Minister and the government found a way to reply to the charges made by this high authority?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the best answer I can give is to send him back to back with the leader of the New Democratic Party.

Mr. David Lewis (York South): I thank you.

* * *

[*English*]

CANADIAN NATIONAL RAILWAYS

INTENTION TO DISCONTINUE OTTAWA-TORONTO PASSENGER TRAIN SERVICE

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of Transport and it arises from recently published railway passenger policy. Has the Department of Transport taken note of the recently reported intention of Canadian National Railways to discontinue all of its Ottawa-Toronto passenger train service, and of the damaging nature of such action to economic and social interests and to services to the general public?

Mr. Speaker: The hon. member for Cardigan.

Mr. Alkenbrack: Ten o'clock, Mr. Speaker.

[Mr. Lundrigan.]

TRANSPORT

RESTORATION OF SUBSIDY TO NORTHUMBERLAND FERRIES LIMITED IN LIGHT OF INCREASE IN FERRY RATES

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, I had a question for the Minister of Transport but in his absence I will direct it to his parliamentary secretary, or to the acting minister, or even to the Prime Minister. Is it the intention of the government to restore the government subsidy to Northumberland Ferries Limited, the removal of which a short time ago resulted in a very substantial increase in ferry rates between Prince Edward Island and Nova Scotia?

Mr. Speaker: While the matter is being considered the Chair will recognize the hon. member for Annapolis Valley.

* * *

BROADCASTING

PROPOSED SALE OF CABLEVISION INTEREST IN QUEBEC—POLICY ON ISSUANCE OF LICENCES TO AGENTS OF CROWN IN PROVINCES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Prime Minister. In view of certain statements yesterday about the proposed sale of cablevision interests in Quebec, has there been any change in federal policy prohibiting the issuance of broadcasting licences to agents of the Crown in the provinces?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I do not believe the sale to which the hon. member refers is in any way an encroachement upon those policies as they presently exist.

Mr. Nowlan: Mr. Speaker, I have a supplementary for the Secretary of State. In view of the cabinet directive of June 4, 1970 pursuant to Section 27 of the Broadcasting Act, which prohibits the CRTC issuing licences to Her Majesty in right of any province or to agents of Her Majesty in right of any province, I wonder whether the Secretary of State has recommended to the cabinet a change in this directive so that educational radio and television stations in Ontario, Alberta and Saskatchewan which were affected by the directive can now apply and perhaps obtain similar licences?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): We are studying this question, Mr. Speaker, and we discussed it with two of the three provinces concerned. One has yet to be consulted and after these discussions we shall perhaps indeed find it advisable to bring suggestions to the attention of the Cabinet, but this has not yet been done because these discussions are still in progress.

PROPOSED SALE OF CABLEVISION INTEREST IN CANADA —DISCUSSION BETWEEN FEDERAL AND PROVINCIAL MINISTERS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary question for the Secretary of State.

With regard to the proposal which the Quebec government, through the General Investment Corporation and several companies, must make to the CRTC on June 28, would the minister indicate whether he has discussed this particular question with his Quebec counterpart and if not, is he in a position to say that the federal government does not object to this project?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, my Quebec counterpart has asked me not to reveal the specific questions which we discussed this morning. He wants our conversations to remain confidential until they are brought to an end. I would simply indicate that according to the terms of the transactions in question, if we are talking about the same ones, no controlling interests of a provincial agency are involved, and as far as I know, the provincial agency will not file an application with the CRTC at the end of the month, but I repeat that this is only from what I know about the project.

* * *

[*English*]

IMMIGRATION

ADVERTISEMENT IN DUTCH NEWSPAPERS ENCOURAGING PEOPLE TO COME TO CANADA

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I have a question for the Minister of Manpower and Immigration. Is the minister aware of the publication in the Dutch press of advertisements encouraging people to come to Canada and containing the words, "Canada, a land of employment and housing", when in fact the reverse is more likely the case? Would the minister look into this promotional effort?

Mr. Speaker: Order, please.

* * *

[*Translation*]

INDUSTRY

BRUCK MILLS LIMITED—POSSIBLE CLOSING OF MONTREAL PLANT

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I wish to direct my question to the hon. Minister of Industry, Trade and Commerce.

Could he tell us whether Bruck Mills Limited have advised his department of their plans to shut down their plant in Montreal, a situation which would involve in some way or other 250 people now employed there?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I am aware of a previous action by Bruck Mills Limited but not of the one referred to in the hon. member's question.

Inquiries of the Ministry

Mr. Ricard: Mr. Speaker, a supplementary question.

Is the hon. minister aware of the fact that this company has already received incentive grants totalling over $800,000 from the Department of Regional Economic Expansion for modernizing their plants and that this has all the appearances of an assault on the public purse?

[*English*]

Mr. Speaker: Order, please.

* * *

FEDERAL-PROVINCIAL CONFERENCE

DISCUSSION OF UNION OF SMALLER PROVINCES AT FORTHCOMING MEETING

Mr. Jack Murta (Lisgar): Mr. Speaker, I should like to direct my question to the Prime Minister. Since there has been considerable discussion of the proposal that the smaller provinces should unite to form more viable political units, is the government intending to discuss this proposal at the upcoming constitutional conference in Victoria?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker; we do not expect to raise it but it is possible that some provinces might want to bring forward this subject.

* * *

THE CENSUS

DEPARTMENTAL POSITION ON HIRING OF STUDENTS

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce. Did the minister's department stress that students, if available, be hired for census-taking and did this recommendation go out from his department to those in charge of the hiring of census workers?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I have already answered this question. Census-takers could be students. There was no objection to that. But I have already pointed out it was for a very short time and many students were not interested in view of that fact. I have also reported to the House that a number of students will be employed during the summer in putting together the information obtained by the census.

* * *

EXTERNAL AFFAIRS

REQUEST BY CANADIAN-UKRAINIAN COMMITTEE RESPECTING LIBERATION OF VALENTYN MOROZ AND SVIATOSLAV KARAVANSKI

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct my question to the Prime Minister. I would ask the Prime Minister whether he replied to the request of the Ukrainian "Set Them Free" committee regarding the liberation of the historian Valentyn Moroz and the writer Sviatoslav Karavanski?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I am not quite sure if that is the name of the committee that asked to meet me but I am meeting with a committee representing the Ukrainian Canadians on Monday when I will take the occasion to repeat to them what I said both on radio and in the House on the matter of the Ukraine.

Mr. Paproski: Mr. Speaker, I have a supplementary. In view of the Prime Minister's cosy connection with Kosygin and the latter's forthcoming visit to Canada, will the Prime Minister intervene personally to request the liberation of these two intellectuals from unjustified imprisonment?

Mr. Trudeau: Mr. Speaker, as the hon. member knows, I did not intervene during my recent visit to the Soviet Union. I would have to hear a great deal more representations—perhaps that will happen Monday—from the official representatives of the Ukrainian Association of Canada before considering such representations.

* * *

HEALTH

HOSPITAL AND MEDICAL CARE PROGRAMS—CONSIDERATION OF MORE FLEXIBLE SYSTEM OF FEDERAL SUPPORT

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I should like to address this question to the Prime Minister. In light of the alarm of the minister of health services for Alberta over the current rigid federal-provincial shared-cost programs which doom to failure provincial medical plans, is the federal government considering another more flexible system of federal support for hospital and medical care programs?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will refer the question to the Minister of National Health and Welfare who had to leave the House to meet with his opposite number in the Ontario government.

* * *

POLLUTION

DEADLINE FOR CLOSING OF E. B. EDDY PLANT

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a question for the minister in charge of housing. Now that it appears the minister will be carrying the ball on the question of Eddy's, after three government ministers have already fumbled, can the minister say whether he is going to stick to the 1975 deadline?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, there never has been a 1975 deadline officially endorsed.

Mr. Bell: Will the minister say, deadline or not, whether he is going to close down Eddy's or just clean up the river?

[Mr. Paproski.]

Mr. Speaker: Order, please.

Mr. Andras: Mr. Speaker, I would make no such statement at this time.

Mr. Speaker: Order, please. We have run out of time. I believe the hon. member for Red Deer is rising on a point of order.

Mr. Thompson: Mr. Speaker, I hesitate to rise on a question of privilege in the absence of the Minister of Consumer and Corporate Affairs but in view of the statement the Prime Minister made during the question period and in view of the great concern of many Canadian people with regard to the security of this nation I must inform the Prime Minister that I have a letter in my hand dated March 12, 1971, over the signature of the Minister of Consumer and Corporate Affairs which reads in part:

I would like to point out that as a member of the government—

Mr. Speaker: Order, please. I hope the hon. member can indicate what his question of privilege is. I have pointed out to hon. members on a number of occasions that their suggested questions of privilege are rather far from being legitimate questions of privilege. The hon. member has the floor for one purpose at the present time and that is to indicate to the Chair that there is a question of privilege. I would hope he can indicate this as soon as possible.

Mr. Thompson: Mr. Speaker, my question of privilege is simply that I think the House deserves an explanation tomorrow because of the fact that the Prime Minister can hardly be expected to do so today, but I must quote one sentence from this letter in order to point out why I ask this. The key sentence in this letter is:

For this reason—

That is the allegations which have been made in regard to Mr. Gagnon.

—a comprehensive report was drawn up for the use of cabinet only—

I hope you will understand that I cannot release this material, for the same reason that security checks on all people remain secret. It would be an invasion of privacy and against the principles of this government if we were to give out information on such reports.

Mr. Speaker: Order, please. I wonder whether that is the one sentence to which the hon. member referred. The hon. member is reading the letter and making a speech. Again, this is not a question of privilege. I suggest to him that we will all be here tomorrow and if he wishes to pursue the matter he can ask questions to try to elucidate or clarify the apparently difficult situation to which he refers. But I do not think that that constitutes a question of privilege.

Mr. Thompson: My question of privilege relates to the fact that there was obviously misinformation given to the House today by the Prime Minister. I am only asking that he clarify this tomorrow, in the realization that he cannot be expected to give this type of information today in the absence of the Minister of Consumer and Corporate Affairs. That is my question of privilege.

Mr. Speaker: That is not a question of privilege. If I am required to make a ruling, I suggest to the hon. member that he has perhaps a very legitimate question which might have been asked today or could be asked tomorrow. It might have been asked today if I had had an opportunity to recognize the hon. gentleman on a supplementary question. Perhaps it would have been easier. If the hon. member had caught my eye, I would have recognized him. He has now asked the question and he can assume he will get a reply in due course.

Mr. Trudeau: Perhaps I can answer the question in part today.

Mr. Speaker: Order, please. Perhaps this is the wish of the House. However, I have made a ruling that there is no question of privilege, and we have gone beyond the question period. I think that this could wait until tomorrow.

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

Mr. Speaker: I apologize to the hon. member for Malpeque but I believe there is another question of privilege or point of order, or some point.

Mr. Alkenbrack: I also rise briefly on a question of privilege to point out that the roster system, as established by the Prime Minister—and I wish to make this point while he is still in his seat so his attention will be directed toward it—is inoperative and defunct. I asked a question originally intended for the Minister of Transport, who was unavoidably absent from the chamber, so I directed the question to his parliamentary secretary, the hon. member for Quebec East. Apparently he is not present either, so I received no response to my question which was one of vital and national interest to all members of the House, and particularly to many members on the government benches.

Some hon. Members: Hear, hear!

Mr. Alkenbrack: Similarly, my colleague, the hon. member for Cardigan, asked a question concerning marine transport and ferry service. There was no one present to answer his question. My question related to the reported cessation of the CNR passenger service between the capital and Toronto. Both questions are of vital interest to many members. The roster system, as proven, is not giving us service.

Some hon. Members: Hear, hear!

Mr. Speaker: This might be a legitimate grievance, but again I hesitate to say that there is a question of privilege. Perhaps it is more of a point of order or a grievance which might be raised by the hon. member at the appropriate time. But I suggest to the hon. member that this is not a question of privilege.

Business of the House

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: Before orders of the day are called, I would ask the acting government House leader whether he would make the usual statement regarding government business for the week ahead.

Mr. Macdonald (Rosedale): Thank you, Mr. Speaker.

Some hon. Members: Oh, no, not that again.

Mr. Bell: Here goes the summer.

Mr. Macdonald (Rosedale): It is obvious that I have returned by popular request.

Now that I have the lively interest of hon. members, may I draw their attention to yesterday's *Hansard* at pages 6314 and 6315 which incorporate a special order with regard to the sittings of the House commencing next week and for the two following weeks.

Mr. Lewis: One following week.

Mr. Macdonald (Rosedale): Yes. The business will be as follows: tomorrow, next Monday, Tuesday evening and Wednesday, if not passed before, we will take government order No. 53, the Canada Development Corporation, government order No. 71, the Prairie Grain Advance Payments Act, and government order No. 75, amendments to the Judges Act.

Under the order just mentioned, Tuesday will be an opposition day under the auspices of the NDP, culminating in a confidence vote at or about 6 p.m., and on Thursday, and on Friday, again if necessary, we will take government order No. 61, the Unemployment Insurance Act.

Mr. Crouse: I wonder if I might ask the acting House leader whether the real House leader is just having a well earned rest after the defeat in Central Nova.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF THE GOVERNMENT TO ESTABLISH PROGRAMS TO PROVIDE FULL EMPLOYMENT

Mr. Louis-Roland Comeau (South Western Nova) moved:

That this House records its deep concern upon reviewing the government's continuing repudiation of its duty to establish full employment programs, and the consequent failure by the government to establish programs and policies which will give young Canadians the opportunity to enter the labour force.

He said: Mr. Speaker, the Minister of Finance (Mr. Benson) was not in the House when the motion was read. I had hoped he might come back, although I think he has gone for a smoke behind the curtains—

An hon. Member: May he burn.

Mr. Stanfield: And he disappeared in a cloud of smoke.

Mr. Comeau: Any government that is so insensitive to the economic needs of Canadians should follow the normal course, that is shrug its shoulders and resign so that others may bring help to this country. For the past three years we have given this government a chance, we have tried to make suggestions to them. However, the Prime Minister (Mr. Trudeau), the Minister of Finance and their colleagues have blindly stumbled on bringing more unemployment and more inflation to the economy of Canada, thus bringing the country to the brink of ruin.

An hon. Member: Shame.

Mr. Comeau: As has been stated before, the economic policies of this government are inhumane, inefficient and completely incomprehensible to a small backbencher like me.

[*Translation*]

Mr. Speaker, today's motion draws attention to this problem in a rather formal way. I am deeply concerned about the fact that thousands of Canadians are unable to find jobs.

According to the April statistics—the most recent available to us—more than 280,000 young people were looking for work, this total represents 42.3 per cent of all the unemployed.

Even if, by themselves, those statistics appear alarming, the situation is worse still, because they do not take into account, for instance, the students and family heads, aged 25 or over, who wish to provide for their families.

[*English*]

The economic problems of this country related to employment bear repetition. This is why I have no hesitation at all in moving the type of motion that I have today. Maybe the government will realize the situation and give some humble consideration to the unemployed when it presents its budget on June 18.

• (3:10 p.m.)

Right now let me warn those Liberal backbenchers who will partcipate in this debate, who will be looking for plums within their own party and who will tell me that, even though I am the mover of this motion, I have made no suggestions to correct the problem, that I am quite humble in my approach. I do not have the capability to present proper suggestions for the government to follow simply because I do not have behind me all the public servants upon whom the government can rely to propose the type of suggestions that should be proposed. With the thousands of public servants that it has at its disposal, I suggest the government should have been able to do something about the problem by now.

An hon. Member: What about your research staff?

Mr. Comeau: Somebody asks about our research staff. I point out that Liberal members also have a research staff, but I suggest that if Liberal backbenchers do not start speaking out on the needs of the country, then after the next election they, too, will find themselves unemployed.

Some hon. Members: Hear, hear.

Mr. Comeau: The leader of my party—

An hon. Member: Where is he?

Mr. Comeau: Where is the Prime Minister (Mr. Trudeau)? Oh, I see him here. I am glad he is here. But where is the Minister of Finance (Mr. Benson)? Where is that great philosopher? The leader of my party—

Mr. Mahoney: Where is he, anyway?

Mr. Comeau: I hear the hon. member for Calgary South (Mr. Mahoney) yapping again. He is one of those who is suggesting to the Minister of Finance the kind of policy that we are following. We are in complete chaos because of the suggestions that the hon. member sometimes makes.

Members of my party have made suggestions that the government should establish full employment programs, but the fact is that nobody in the government listens. It is my job to point out the difficulties faced by Canadians and it is the job of the government, not mine, to govern the country accordingly.

An hon. Member: The Prime Minister is leaving.

[*Translation*]

Mr. Comeau: Mr. Speaker, I hope he will come back.

[*English*]

Oh yes, Mr. Speaker, the Minister of Finance will speak later in the debate, and I am sure the Minister of Industry, Trade and Commerce (Mr. Pepin) will participate. The Minister of Finance will say, "Look, my suggestions will come before you on June 18." He will tell the country on that day how he is going to save it from the current economic crisis. But the thing that bothers me most is that the government absolutely does not want to listen to anyone. Prime Ministerial word games have replaced serious discussions about unemployment. The Minister of Finance represents nothing more than the king in his counting house counting out his money, while he tells the peasants to live on $30 a week.

There is one fact that needs to be stated time and time again. It is that Canada needs full employment and a budget which will restore a healthy growth to our economy. Without economic growth, we will not be able to provide jobs for our young people, for the university graduates who are coming into the labour force. What has the government offered in the past three years to expand the economy? It made some money available. Forty-two cents have been given to our old age pensioners, the equivalent of seven postage stamps now but soon

to be the equivalent of only six. The government has offered absolutely nothing to the unemployed family man who is between the ages of 25 and 65 years, and nothing to the young executive who came out of university, worked for a company, and now finds himself unemployed.

[*Translation*]

Nothing at all, Mr. Speaker. The government offered nothing to these thousands of people except the 10 per cent increase in unemployment insurance benefits last January. The government has not even been willing to help the municipalities offer more welfare benefits to these people; now, cities are cutting their aid programs.

[*English*]

According to the 1961 census 50 per cent of all Canadians are below the age of 25 years. What has the government offered these people? What has it offered students looking for work in order to raise enough money to enter university in the fall? Finally, the government made a revelation. One fine day, on March 16, the Opportunities for Youth program was divulged. Five ministers called a press conference and told us what they were going to do for young Canadians.

Mr. Béchard: Sixty-eight million dollars.

Mr. Comeau: Sixty-eight million dollars, the man says. Some of my colleagues will talk about that $68 million later and show the ridiculous way in which some of it has been spent. Included in that $68 million mentioned by the hon. member for Bonaventure (Mr. Béchard) is the expenditure for the European Exchange program, subsidized tours for those who can afford the fare there and back. Kiosks are being opened along highways so that our transient youth can gather information and travel leisurely. There is also an athletics scholarship program applicable to a very special 600 or so, and after consultation with the provinces, or supposed consultation with the provinces and municipalities, hostels are to be provided where transient youth may find accommodation. It is becoming obvious such consultation did not take place because we are finding that municipalities have no funds for these hostels.

Then, to offer our young Canadians a boost and give them an incentive, the government has made $25 million available to be administered by the Department of the Secretary of State. I do not want to deal with it at length. Other members of my party will put that program in proper perspective, but so far as I am concerned it is nothing but a political program. It has very grave political tinges to it. I submit it is not administered objectively at all, and consequently is not helping young Canadians who may need this type of program most.

The answer to all this should be clear, Mr. Speaker. You cannot help a group of people, a certain age group, until you have a full employment program, such as I referred to a few minutes ago. In the type of economy that we have these days, you cannot merely put $68 million into a program and expect that will solve the problems. In a similar vein, you cannot expect to do anything about regional disparities unless the economy is growing at a reasonably rapid rate.

We know that growth is not an end in itself, but that it must be pursued in order to solve our grave social problems. It is economic slack which makes it difficult to pursue pollution abatement programs. Everybody, and particularly our young people, are upset about pollution. But we cannot deal with the pollution problem unless we have the money to deal with it, and in order to have the money to deal with it we must have the proper growth programs. Pollution abatement programs are expensive. This is particularly the case, as has been highly publicized, in the pulp and paper industry. Economic slack forces people to disrupt their way of life and neglect their higher goals in order to search for employment. If the budget which will be presented by the Minister of Finance fails to expand the economy properly, the government will argue that its policies are designed to return the economy to its potential gradually to avoid the risk of more inflation. A quick return to full potential is dangerous, but the government's apparent concept of gradualism is surely inadequate. First, we need an economic plan which will produce a growth rate which is higer than our potential so that the economic slack will be taken up and sufficient jobs created to absorb the large influx into our labour force. Then, and only then, can a gradualist policy be introduced.

• (3:20 p.m.)

What has happened since the Prime Minister took office? The Liberals have set out to curb inflation by creating mass unemployment. This policy, regarded as nonsense by many economists, might be justified by its results if inflation had been cured. But it has not. The inflation spiral is back and the unemployed have never left us. The Prime Minister has failed where he should have succeeded, on the inflation battlefield, and has succeeded only in creating a great army of unemployed.

In December, 1970, the Prime Minister announced that unemployment had become the foremost problem facing the country:

> ... we have won last year's victory, the one against inflation. It is obvious from the statistics of the past two months that inflation no longer exists in Canada.

Some victory! As has been stated previously, inflation in Canada during the first quarter of 1971 soared upward by 1.2 per cent, the largest advance for this quarter in over a decade. Unemployment remains uncomfortably high at 6 per cent; it has stayed above the 6 per cent mark for 11 months.

[*Translation*]

Problems are increasing day after day. There is no indication that the economy of the country is developping to its full potential. The level of unemployment is still at 6 per cent and the cost of living is ever increasing. The number of workers is rising rapidly and requires the creation of more new jobs. By 1975, the number of jobs needed will go from 1.3 to 1.4 million. In order to develop the economy to its full potential, that increase must run to about 6 per cent.

[*English*]

Where do we go from here? Many suggestions have been made and there will be others. The Progressive Conservative party advocates an immediate espousal of the economic goals enunciated by the Economic Council of Canada. We demand immediate action to return the Canadian economy to a path of full employment.

Some hon. Members: Hear, hear!

Mr. Comeau: What does the Prime Minister propose to solve the problems created by the mushrooming labour force? On his recent Niagara Peninsula tour the Prime Minister announced that in a free society people had to be prepared to accept trade-offs, and consequently the emphasis should be on getting jobs for Canadians who want to work, a shorter work week, much earlier retirement, delays in young people entering the work force, and less pressure to get women working. Such a theory is in glaring contradiction to the present practices of the government. Consider the unemployment insurance legislation to provide unemployment benefits for pregnant women as an incentive to them to return to their jobs! Obviously, the Prime Minister is not laying a basis for new government policies, but rather is using scare tactics to convince the public that the weapons he ultimately chooses to fight employment are the only desirable means for combatting the problem. The essence of such a ploy is that it admits of only the extremes, and implicitly rejects the possibility of any middle ground.

It is not possible that a lesser degree of unemployment and a low degree of inflation could co-exist in a free society? All kinds of suggestions have been made in the last couple of years about how this objective could be achieved and I do not need to repeat them. I only need to point out to the Minister of Finance that if he would listen and try a different course every now and then he may find that the results would not be worse than the results of some of the policies advocated by the government. Such a course might be worth while.

Some hon. Members: Hear, hear!

Mr. Comeau: There are many respectable economists who think that such co-existence is indeed possible, and who also maintain that the Prime Minister's economic policies up to the present have been as disturbing as these new scare tactics. In its zealousness to get Canada the first prize in the 1970 international competition against inflation, the Liberal government pursued policies that earned for Canada the international booby prize for unemployment and also one of the poorest records in reaching potential gross national product.

Something has to be done, Mr. Speaker, and in view of the fact that the budget is to be presented within a couple of weeks, I hope this debate today will indicate to the Minister of Finance and the government that it is time to try something new, something that will give this country full employment. Canadians will not settle for anything less. Students who are graduating have been told along the way, "You go to university and we will take care of you". Now, they find that we are not able to provide for them. The situation is frustrating to Canadians of all ages, those over 65 and those in the middle age group. Within the last couple of years, we have passed legislation forcing Canadians to retire at 55 years of age. These people are forced out of the labour force and cannot come back because of the situation that exists. Just last night there was a program on television about executives in the 35 to 50 age group who cannot find employment in their line of work, or in any other line for that matter.

We cannot go on talking about the constitution forever. We cannot blame everything on the constitution. We cannot go on being academic, pretending that we are living in a university or that we are lecturing to university students. As politicians in this country we have to be practical, and we have to face the problem.

Some hon. Members: Hear, hear!

Mr. Comeau: There is no need for me to review the events of the last two or three years, Mr. Speaker. We only have to look back at the legislation that has been passed. The Criminal Code has been amended about 150 times; we have talked about this constitution; we have talked about many things, but the government has not once listened to suggestions for getting the economy moving and getting people back to work. I hope the Minister of Finance will not be too proud to admit his failures, but will want to listen and, when he presents his budget on June 18, will want to take the measures necessary to correct the injustices that have been caused by this government in the last couple of years.

• (3:30 p.m.)

Other members of my party will talk about different aspects of this subject. Some will deal with—

An hon. Member: With the facts.

Mr. Comeau: —the opportunities for youth program. Others will talk about university graduates, the labour force and so on. I end by repeating what I said at the beginning. We need full employment so that we may offer Canadians generally, including our young Canadians, a chance to make a decent living in this country. I have not participated in debates on the economy for some time. I have tried to give this government a chance. The situation has become more and more frustrating. I assure you, Mr. Speaker, that I, as a private member, and my party cannot condemn this government enough for the policies it has followed in the last three years.

Mr. Edward Broadbent (Oshawa-Whitby): Mr. Speaker, I rise to support the motion moved by the hon. member for South Western Nova (Mr. Comeau) and to offer my congratulations for his forceful and frank speech. It was needed. It was a speech that presented the problem faced by this country in a very adequate fashion indeed.

The single most important source of discontent and disunity in this country today is that presented by the current levels of unemployment. In recent weeks there has been, throughout Canada, a mounting criticism of welfare spending, a mounting criticism of spending in education and an increased criticism directed at the pro-

posed new levels of unemployment insurance benefits. There has been in recent days, as indeed there was today in this House, an implicit criticism of the increased amounts of federal money going to the province of Quebec.

It is important to note that all this criticism being heard in our country is not coming from the traditional conservative sources alone in Canada. It is not simply coming from the lawyers, doctors and professional people in general. It is now emerging from those who may appropriately be called the ordinary people of this country. Professionals and businessmen have always opposed the significant use of public capital, either to redistribute income or to create new public enterprises, and especially have they been critical of all forms of welfare assistance. However, it is a new phenomenon in Canada that significant numbers of ordinary people have joined in this criticism. We are now hearing criticism from miners, auto workers, loggers and farmers—in short, as I said, from the majority of the people of our country. I suggest this is a profoundly important development. It could lead to much more internal conflict and disunity in the country than the supposed forces of separatism within the province of Quebec could generate.

What is the reason for that, Mr. Speaker? Cynics like to say that the true selfishness of the average man in society is coming to the fore and being revealed at last. That is the reason behind this criticism, they think. I think that view is wrong. Ordinary people in Canada, as well as ordinary people elsewhere in the world, harbour a real concern about the well-being of their fellow countrymen. They are truly concerned and want to make sure that their fellow countrymen do not suffer. Average people do not resent some welfare burden and some education costs. What they resent, and resent increasingly in Canada, is the scale of that burden and the scale of those costs. They resent the fact that they work long and hard, yet must finance the tax rolls which are required to assist not a few but hundreds of thousands of their fellow countrymen.

Welfare costs, Mr. Speaker, are skyrocketing. Cities across the country from Vancouver to Halifax are experiencing increases in their welfare costs ranging anywhere between 100 per cent and 300 per cent. Education costs are increasing because of the large proportion of relatively young people in our population. Consequently, property taxes on homes often owned by working people have increased; certainly, the income taxes that such people pay are going up to pay for these needed expenditures. They are continuing to go up. As a consequence, disunity of serious proportions is a real possibility in this country. If unemployment is not reduced to the 3 per cent level very soon in Canada we could experience one of the greatest social crises in the history of our country. I do not say this in any loose fashion. Workers in Canada will be pitted against fellow workers. English-speaking Canadians will be pitted against French-speaking Canadians. I say this not in any "scary" fashion. I say this because I am concerned about the real consequences, social and political, of such a crisis which would affect the unity of this country and the viability of a federal government.

Many speakers in debates during the past few months who have spoken from this side of the House and, particularly, who have been members of this party have made positive and general criticism of the government. They have suggested that its preoccupation with inflation is economically insane and socially irresponsible. I do not intend to repeat their arguments. I should like to suggest a couple of concrete steps which might be taken now to reduce unemployment levels in this country.

First, if this government is really concerned about unemployment, it could propose what might be called a housing charter for Canadians for the 1970's. It should make such a commitment now, saying that by the end of this decade no Canadian in any province of this country will be without adequate housing. By the end of this decade it should be the case that every Canadian will regard housing as he now regards secondary education. It should be the case that housing will become a social right, and a legitimate and real expectation, of every person in this country. A citizen should come to regard housing, in short, as he now regards secondary education. We look on secondary education as a matter of right; if there is an increasing need in education, all we do is expand our present facilities. We do not, I repeat, we do not permit any youngster in this country to do without secondary education. However, we now permit many of our citizens, indeed, they number in the millions, to do without adequate housing.

The government could make such a commitment. It would involve expenditures that are in the billions; I candidly concede that cost. This is not an Utopian scheme. I am not saying that within one or two years all the housing needs of our people should be overcome. I am saying that by the end of the decade the problem ought to be overcome. The government could consider both housing and unemployment and solve both problems.

What would be the effects of such a commitment on unemployment? First of all, the obvious effect would be that bricklayers, painters, carpenters, electricians, plumbers and all the unskilled workers involved in house building would be given work. The less obvious consequence is that steel, aluminum and plastic workers who make products which go into houses would find jobs. It would also affect truck drivers who deliver products and assembly workers in plants across the country involved in making prefabricated housing of all sorts. They would also find employment.

• (3:40 p.m.)

The third category, perhaps the least obvious beneficiaries, would be auto workers, store workers and owners of movie houses. In short, virtually every other category of worker in this country would benefit because his goods and services would be purchased as a result of people being employed in the building of houses. For a long time, economists have said that if you really want to employ people and get the maximum output in terms of men

employed for input of dollars, put your money into housing because it has a marvellous economic spinoff effect on the whole economy.

The government has said that it wants to do something about employment and that it is really concerned. Why does it not get involved in serious deficit financing? Why does it not commit itself to spending millions of dollars in the next decade to co-ordinate house building programs in Canada which would create employment? This would simultaneously achieve two important social objectives. It would provide a needed social entity, housing, and an equally important social benefit, employment for men and women who want to work.

Specifically, I would like to emphasize certain areas in the housing program. First, we need a major increase of funds going into public housing. Public housing is needed and will continue to be needed in the foreseeable future by pensioners, single parents and unorganized workers who cannot, under any circumstances, afford to purchase homes. Second, we have to make housing available to average workers at low interest rates, both of the single dwelling and condiminium types, at interest rates that do not exceed 3½ per cent. This is what the government of Nova Scotia, a Liberal government, has recently done. They acted upon what we have advocated for a number of years. They decided to subsidize interest rates and have discriminated in favour of average and poor people. They have guaranteed homes for the average people in Nova Scotia, and are doing this by providing all the capital or cash needed above the 3½ per cent interest to pay for single dwelling units for working people.

There is also a marvellous prospect for the imaginative use of Central Mortgage and Housing Corporation funds in the housing field. I see no reason why we cannot indulge in a little variation of how we rebuild the cores of our major cities. Some time ago a very imaginative proposal was presented to interested people in the city of Hamilton. It was suggested that in urban renewal projects, instead of demolishing the centre of the city, rooting the poor people from their homes and communities and shifting them to the suburbs, the government make a colossal loan, in comparative terms, for a complete city block. If CMHC provided money to a new co-operative enterprise which would involve all the people who live in that block, home owners as well as shopkeepers, these people would be allowed to retain their present dwellings in many cases. Through this loan, dwellings could either be rehabilitated or new ones built. The local store could be maintained. This would be accomplished through one loan, not a gift, from CMHC. With this kind of approach, we would provide homes, accommodation and maintain a sense of community in our large cities. This would be an imaginative use of public funds.

These are a few examples of where and how the money should be spent. I remind the government that there is one province that has decided to move with public funds, deal with unemployment and housing. I refer to the province of Manitoba. At least the cabinet ministers know that. This year the government of Manitoba will spend $770 million on housing, up 18 per cent over last year. In public housing alone, it will spend $33 million, up 154 per cent over last year and, incidentally, up almost 1,000 per cent over 1969 when that government replaced a Conservative government in that province.

[Mr. Broadbent.]

Apart from providing homes to the people of Manitoba who need them, the major economic consequence which affects that whole province is that it now has the lowest rate of unemployment in Canada. Unemployment has been increasing in every other province. In the province of Manitoba, it has been decreasing. Manitoba now has a 4.8 per cent level of unemployment, the lowest in this country. There are many reasons for this, but the main reason is that it has a government that is committed to using public money for public purposes, particularly at times of high unemployment. I see no reason why this government cannot take a few lessons from one of the provincial governments.

The last specific suggestion I want to make is with regard to the manpower retraining program. I am pleased to see the minister in charge of retraining in the chamber. There is a lot of talk about students and junior executives who are unable to find jobs. I am concerned about them, but I remind hon. members that most people in this country are not students or junior executives. They are ordinary people such as farmers, steel workers and fishermen whose educational level is not that high. They constitute the vast majority of people in this country. Our emphasis should be directed primarily toward that group and, with respect, not toward the minority who happen to be university students.

What happens in terms of our manpower retraining program? I am sure that all hon. members, including myself, have been involved in this in recent weeks, particularly because of the level of unemployment. I have been involved in discussions in my constituency about the effects of the manpower retraining program. I have discovered, and this has been corroborated in conversation with many other members, that the kind of effective co-ordination of planning required between the federal and provincial governments to have an effective manpower retraining program simply does not exist.

About one year ago I brought to the attention of the House and a committee of this House a critique of the existing manpower retraining programs from the point of view that no effective planning in terms of training people for jobs that are going to be available actually existed in this country. The critique came from the Association of Colleges of Applied Arts and Technology in Ontario, a group made up of teachers and administrators which is certainly not allied politically with any group. They said and I quote:

• (3:50 p.m.)

The Canada manpower centre and the local educational facility operate, as had been said, in administrative vacuums, with little or no constructive consultation at either the policy formulation level or in the day-to-day administrative routine. Apparently the federal department feels its prerogatives are better protected with things this way, making the erroneous assump-

tion—we would presume—that education and retraining can be purchased in the same perfunctory way the housewife buys her weekly groceries.

The major criticism in this report, and it holds true today just as it did a year ago, is that the forecasting, planning and training arrangements are grotesquely inadequate. For this, the minister must bear the responsibility. There is no effective co-operation between the federal government, which is responsible for the executive and financial aspects of the training, and the provincial goverments which provide the facilities. In short, there is no integration of planning. The result is that countless Canadians are being trained for jobs which do not exist, while jobs which do exist go unfilled for lack of trained people. The result is we see in our ridings hundreds of unemployed people entering courses to be trained as plumbers, or electricians or bricklayers in the full expectation that when they complete their training they will be able to find jobs. But no jobs exist for them because the economic forecasting has been inadequate; the planning has either been non-existent or carried out in a slipshod fashion.

I should like the minister to provide the House with some information enabling us to compare the efficacy of our manpower training program with those of Sweden and Japan, for example. I should like him also to produce figures relating to the economic productivity in those countries as compared with our own. I believe, then, he would be able to appreciate the solid advantages of an effective manpower training program. The point is that manpower retraining represents no net cost to the people of Canada in the long run because it leads to a more productive labour force. There have, of course, been some good results flowing from manpower retraining—

The Acting Speaker (Mr. Laniel): Order. I regret to have to interrupt the hon. member but his time has expired.

An hon. Member: Carry on.

The Acting Speaker (Mr. Laniel): Does the House give permission to the hon. member to continue his remarks?

Some hon. Members: Agreed.

Mr. Broadbent: I thank hon. members. The point I was making initially was that the general economic direction the government is taking is bad, that it is a major source of disunity in this country, that it could lead to clashes between worker and worker, between French-speaking Canadians and English-speaking Canadians. This danger should not be under-estimated. I tried to show that if the government were to seize on one major economic objective to provide a large number of jobs and simultaneously deal with a serious social concern, it should embark on a housing program the like of which this country has never seen, one which would result by the year 1980 in housing having become a social right just as secondary education is now assumed to be a right.

I look forward to hearing the observations of whichever ministers intend to take part in the debate. I shall be curious to see whether they are prepared to meet the challenge which lies before us or to follow the example of two of their former colleagues who recently decided that, because of their interest in these matters and their concern for the average Canadian, they ought to leave the ministry.

[*Translation*]

Mr. René Matte (Champlain): Mr. Speaker, this motion proposed by the opposition once more points out how important it is for the government to solve the unemployment problem, to find solutions for the economic and financial problems facing us. Thus we have an opportunity to express in the House the more and more widespread dissatisfaction among the Canadian people, especially in Quebec, and particularly in my own area of the St. Maurice valley.

Mr. Speaker, we cannot insist enough on the urgency of that situation and we cannot stress enough how pressing it is to find not palliatives but final solutions for these problems which affect our people.

Through what we read in newspapers and hear and see on radio and television we notice that everybody deplores the present situation. More and more frequently newspaper headlines point out the seriousness of the situation: "Nine thousand additional unemployed" proclaimed a headline some weeks ago. "The biggest increase in unemployment in 13 years". "Quebec still leads", wrote another newspaper later. "23,000 more unemployed in the province in 1970."

• (4:00 p.m.)

Mr. Speaker, how far this is from the promises made in the spring of 1970 by the present premier of Quebec!

In a newspaper, one could read: "17,000 Montrealers laid off in 1970."

In its January 13, 1971 issue, *La Presse* published an article headlined "Only 10,000 new jobs last year."

For the past few months, Mr. Speaker, newspapers have been full of this type of headlines.

In the face of this situation, what argument has been advanced, what were the solutions advocated?

A Canadian Press feature on May 8, 1971 stated regarding unemployment: "Trudeau admits failure."

Mr. Speaker, may I be allowed to quote this excerpt from the Canadian Press:

The Prime Minister, Mr. Trudeau, said last night that unemployment had been the most serious failure of his government during its three years in office.

The Prime Minister, interviewed on the C.B.C. television program "Format 60", admitted that unemployment was partly due to the fight against inflation which his government waged last year and won, in his opinion.

"The fight against inflation has been a success but it has contributed to the unfortunate increase of unemployment," he said.

The Prime Minister, who was interviewed by reporters, maintained that the government however had to check inflation to attain the objectives of the just society.

According to him, it is generally the small worker, the widow, the mother, the welfare case who are the victims of inflation since they get less for their dollar then.

He added that, given another chance, he would no doubt act in the same way, but there would be less unemployment.

He recalled the appeals for co-operation addressed to all social levels by his government last year in the thick of his fight against inflation and said that he did not get the co-operation he had anticipated. "Voluntary co-operation was not a great success", Mr. Trudeau said, adding that should another inflationary thrust occur the population, both workers and employers, might co-operate better.

Mr. Speaker, that quotation from an article shows that far from being about to find solutions, we see them becoming increasingly remote since we admit that nothing can be done. That is hardly encouraging for the population which, in the meantime, continues to stagnate, to have a hard time making both ends meet and to complain about its administrators.

And yet, Mr. Speaker, this government does not want to recognize that this problem does exist. They say there is no solution.

But when we of the Social Credit try to oblige, if necessary, the government to consider potential concrete solutions, we just cannot accept—and our constituents are becoming increasingly dissatisfied—that the government brush away the solutions we are suggesting, that is increasing the purchasing power through easier credit and providing easier credit terms for industries. We claim that this would be very well received among the population and that this would also be a long-term solution to unemployment.

Mr. Speaker, I would also like to point out that if we wish to arrive at full employment several solutions are required. One of these days we will have to admit that the benefits of modern scientific progress, of automation, of technology, should be orientend toward the well-being of the population.

Having recognized the fact that we should not frown on progress, if the machine replaces man we will have to consider increasingly the development of programs to create a society with more and more spare time and less and less work.

Therefore, if we wish to reach full employment, we should seriously consider the possibility of reducing the working hours of each worker, while providing him with a sufficient income so that he may enjoy a minimum of well-being if not of comfort.

Mr. Speaker, this could be done immediately. I would like to give quite a striking example, that of the Post Office Department. We know that a great number of people have been complaining about slow mail deliveries for a year or two. Everybody is wondering why with such a high unemployment rate we are unable to obtain at the Post Office, for example, a sufficient number of jobs to avoid the present delays.

It is absolutely abnormal, for example, that a letter from Ottawa to the Champlain constituency 200 or 300 miles from here would take a week, 10 or 15 days to reach the addressee. We are given as a reason that some mail services do not operate on Saturdays and Sundays.

Mr. Speaker, if this is due to a lack of employees, enough should be hired by the Post Office Department to give a constant and continuous service, even on Saturdays and Sundays, precisely in order to promote a very good postal service while increasing the number of jobs.

If some people are against working more than 40 or 44 hours a week, and I certainly understand them, so much the better! Let us give others the opportunity of working during the remaining hours of the week. For instance, it might even be advisable to aim at having 200 people work 20 hours a week instead of having half that number work 40 hours.

All those possibilities should be considered but sooner or later—and of course I prefer that it be sooner than later—we shall have to find real solutions. We shall have to reach the true causes of this situation.

We shall only find them when we analyse the real potential of the country, based on all kinds of natural resources and on our potential of human intelligence.

• (4:10 p.m.)

Mr. Speaker, when we realize that we are one of the richest countries of the world, with a population of 23 million people spread out over an area greater than Europe where there are 600 million people, and that Canada is bigger than the United States with their population of 200 million, it is inadmissible that we should meet poor people while, theoretically, they are the richest in the world.

But, in order that this unheard of wealth may really be put to use for the citizen, one must reach the very logical proposal that it is a matter of making financially possible what is physically possible. Some have said and continue to say that it is merely a slogan but on the contrary, Mr. Speaker, it is a sensible and economically logical principle. And if ever this principle were to be applied, with all the raw material that we possess, the manpower that we have—and nobody can deny that because the most serious problem in Canada at the present time is that too many workers are chasing too few jobs—we would be surprised at the results. Since we possess all that, Mr. Speaker, what else do we need to put to use and develop these natural resources that are now available? The only thing we are running short of is money to finance these projects. Then why not take time and see that all those things that are physically possible become financially possible?

I have said time and time again that bridges, roads, hospitals, or anything else for that matter, are not built with bills and coins but rather with materials, labour and engineering. With these three elements, why bring in the money element? Piles of dollars cannot support a bridge; this is not the way to do it, Mr. Speaker. Better to use concrete, steel, for these materials are much more appropriate. Is that what we are short of? We have the world's richest iron ore mines in Northern Quebec. We have the human resources ready to go to work, thousands of unemployed people who ask nothing better than to work for the well-being of all our population.

There is no lack of it. Therefore, the only thing missing is the firm will to give the individuals of this country the opportunity of putting their intelligence, their strength,

in short their potential at the service of all their fellow-citizens.

And this, Mr. Speaker, can be done. This is no utopia, this is no dream; it is merely coming back to a sound economic policy, an economic policy of pure common sense. And we shall settle these problems of full employment and unemployment only when one and all will finally be able to contribute to the production of what this country needs, because it is perfectly ridiculous to accept blindly the principle that if we cannot produce at a lower cost than the United States, Europe or other countries of the world, we should not produce at all but buy from these countries.

If we were to follow this theory to its logical conclusion, Mr. Speaker, we would end up living on U.S. welfare for we all know that it is difficult to keep up with U.S. productivity in many areas of industrial activity, even if we take only prices into account. Thus, if automobiles are less expensive in the U.S., let us stop building them here and buy them across the border instead.

If textile products are less expensive in Japan or in Europe, let us close down all our factories and import these goods!

If a pound of butter is cheaper in New Zealand, we should penalize our own producers and buy the cheaper butter down under.

With this sort of reasoning, Mr. Speaker, Canada would stop producing anything in a few years. It is a nefarious theory and prices are only relative. What counts is the product we can get for the money we have.

The absolute value of money does not mean but its relative value does since we can buy goods with it. That is why a sound economy must return to sound basic principles, principles that are logical. And those are that money should serve all the citizens, the whole society.

When unemployment reaches frightening proportions, and we are stuck with it, it should not be tolerated, all the more so when we realize that we import a significant amount of our consumer goods. If Canadians made those products, part of our unemployment problem would be solved. But when our policy is based exclusively on ups and downs, on the mathematical acrobatics of the relative value of the American dollar, the Canadian dollar, the French franc or the German mark, in short, when we are concerned about exchange rates before caring about the possibilities and the production potential of this country, that is when we talk about inflation, unemployment, and come to incomprehensible economic dilemmas, knowing all along that Canada does not lack anything.

Mr. Speaker, of course there are solutions; there will come a time when it will perhaps be less necessary to find them than to accept them—since some have already been suggested—and we will support without reservation any measure which would help our citizens, which would spark their spirit of initiative, which would help all those who can to improve the production and which would at the same time help the consumer buy that production through increased purchasing power. That is the solution, Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order. I regret that I must interrupt the hon. member, but his time has expired.

Mr. Matte: One minute more and I could be through, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Does the House agree to let the hon. member finish his comments?

Some hon. Members: Agreed.

Mr. Matte: I thank my hon. colleagues, Mr. Speaker.

I would like to add, in concluding, and this will only take a few seconds, that the famous unemployment and full employment problem is serious especially when we note that our young people are particularly affected. The problem becomes urgent and cries for a solution when we find that thousands of young people enter the labour market not only for the summer months but also after they graduate and that they cannot find any work. If this trend continues Mr. Speaker, catastrophe will obviously follow, because the 20-, 21-, or 25-year-old will no longer accept to be patient and he will not admit that his country's government can lead him to such a dead-end. He will not admit either that, with his initiative, with the potential existing in this country, he can be unemployed.

[*English*]

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the resolution which has been put down for debate today deals with the problem of unemployment among our youth in particular, and suggests the failure in some ways of the government to deal, with this problem as well as some repudiation of responsibility by the government in connection with this problem. I should like to note, first of all, that while the resolution deals with unemployment among our youth, a great deal of the time of the members was spent on the economic situation generally and unemployment generally, and was not essentially related to the resolution. This, of course, was a consistent performance on the part of members opposite in this House who have chosen once again, each in his own way, to express their gloom and doom views concerning the state of the Canadian economy and where it is going.

I understand why they wanted at this time to put down this resolution once more. It is of course, only a short number of days before the budget will be presented, a time when the government can more fully indicate its assessment and its prediction about the economy of Canada as well as its view about what should be done at this time consistent with that assessment and prediction. This is probably also the last opportunity the opposition will have to take a kick at that particular cat because of the increase in employment in this country which is taking place in the current days and which will be revealed when the next figures are released. At that time they will turn their attention to other issues or different aspects of this issue. This same group, of course, not many months ago, treated inflation as the single most serious problem facing the government and, indeed, the government itself agreed.

Employment Programs

• (4:20 p.m.)

The resolution puts its finger, in a couple of words, on one very interesting point which hon. members opposite have blurred over very badly, and that is the question of what a government must and can do and what this federal government in particular can do and is doing about the economic climate, about the total aspect of the situation which influences employment and unemployment in this great country of ours. The government in Canada can and must do something to attempt to create the kind of climate with a long term impact in favour of stability and growth. It was a recognition of this responsibility which led the government to recognize that, unmindful spending and unmindful increases in the money supply which did not take into consideration their serious impact upon the economy and therefore the serious threat to our whole future, must not go on endlessly. We have gone through a period, probably due to minority government, when more of this has gone on than ought to have gone on. It is true that even then it did not reach the nearly disastrous heights of recklessness which had been reached by the previous Conservative government, but it was serious enough to create conditions and attitudes which had to be overcome.

The important thing which this government can and must do is to create an economic climate which is responsible, and which creates as much stabilizing effect as possible, so that those great free enterprise sectors of the economy will seize every opportunity to invest and to develop the growth in this country which is possible. It is with this view in mind that the government has considered both the problems of inflation and the problems of unemployment, and will continue to do so. It is in this light that the government must make a responsible assessment of what can be done in terms of fiscal and budgetary policies, in terms of increasing the over-all money supply, in a responsible way.

The hon. member for Oshawa-Whitby (Mr. Broadbent) urged what he called serious deficit financing. Of course, the government in Manitoba, which he lauded so much, has, as I understand it, a slight surplus budget. But what I suggest the government must engage in, and has engaged in, is a responsible policy of deficit financing, responsible having regard to the amount of money which can be made available in a budgetary and non-budgetary way to meet the situation of the moment.

It is interesting to note that all three hon. members opposite who have spoken joined together in adopting what is essentially a social credit policy that somehow or other there is an unlimited amount of money, without regard for the impact upon the economy of having that money available. The fact of the matter is that there is available in Canada a significant amount of potential consumer spending. There is a significant amount of credit available for investment, and what is needed above all is a determination on the part of the great private sector to go forward on the basis of its confidence that the government will continue to attempt to create an atmosphere which is as stable and responsible as possible to assure the growth which this country requires.

It is that kind of policy which has led this country to a performance which in almost every way is better than that which one finds in the United States, although our economies are almost inextricably linked in terms of the cyclical impact of changes in the development and growth of that great economy to which we export so much and from which we import so much. Every small change, therefore, in the large economy has an impact upon our economy. The atmosphere of growth really presents a great challenge to the private sector, and it is one which I hope will be taken up very soon in developing a climate of employment about which hon. members opposite spoke so much.

The resolution deals specifically with the problem of unemployment among our young people. This government has been very concerned indeed about the factors in the present logistical situation in Canada which creates greater problems of unemployment for our young people. These factors have been drawn to the attention of hon. members before, but they bear repeating. The rate of growth of the labour force in this country has been accelerating at a faster pace than in any of the countries examined, all of whom are members of the OECD. For instance, during the 1957 to 1970 period, this rate of growth has averaged at 2.7 per cent per year, compared to the next highest rate of growth acceleration of 1.7 per cent for the United States. This has resulted to a significant extent from the very sizeable group of young people between the ages of 14 and 19 at the beginning of the period and the ages of 20 to 24 in the latter part of the period. The result has been that from 1957 to 1970 our the United States has grown by less than 25 per cent, and the United Kingdom by approximately 5 per cent.

This is a result in particular of the growth in the labour force among the young people. It is true of course that as a result of this fact the participation in unemployment of our younger people, of those under 24, has grown in recent years. In 1961, for instance, of the unemployed —and I remind hon. members opposite that when the Conservative government was in power at that time unemployment was very high indeed—64.8 per cent that year were in the 25 to 64 age bracket. In 1970, 53.1 per cent were in the 25 to 64 age bracket. To offset this decrease, the bulk of the increase took place in the 14 to 24 age bracket, and this was a direct result of the fact that this group had increased so rapidly in the intervening years, at a more rapid rate than in any other country. This has created and does create serious problems in that the economy has to absorb in its ordinary patterns of growth increased numbers of persons entering the labour force. These factors are to some extent approaching a levelling off area so that the challenge to the economy in the years ahead may not be so great. But it does remain true that there are serious issues here of what sort of education, and the extent of education which should be offered to our young people, the system through which it should be offered to them, and the basis upon which training and programs should be made available to them.

• (4:30 p.m.)

We do, of course, offer a great deal of training to our young people in the manpower training and retraining programs. In the 1970-71 year preliminary figures indicate that of a total of full-time trainees benefiting from the program of 275,118, 250,000 were persons under the age of 25 years. It is, of course, a serious challenge to our nation as a whole to know how best to adapt the training to the needs ahead. In our retraining programs we try in every possible way to examine the employment needs, the job prospects, and to relate the programs to these. Of course we do not do as hon. members opposite might seem to be suggesting, turn the tap on and off quickly and automatically whenever any apparent or slight surplus seems to occur in one particular area. We have viewed the longer term needs, and have tried to adjust the labour force and the training programs according to those longer term needs.

I would like to say to the hon. member for Oshawa-Whitby (Mr. Broadbent) in this connection that the general level of co-operation between the Department of Manpower and Immigration and the provincial governments in connection with planning for training is very good indeed. There have been some areas of difficulty in this matter of co-operation, but progress is being made step by step in developing better reaction to the needs of the future. There is no doubt in my mind that we must continue to expand and improve the information we have available about the job opportunities, the labour needs, the technological forecasts, and their future implications, and that we must try to give this information as much as possible to the individual person seeking it in order that he may choose his own career.

I suggest this as the logical approach in a democratic country, but also perhaps as a logical place for the federal government to attempt to find a role where education is generally within the field of provincial governments. I am really suggesting that it may not be possible to develop any perfect over-all plan centrally which leads to particular kinds of training for our young people for specific job opportunities, but rather that by giving the best possible kind of information they themselves may exert their demands on institutions that lead to appropriate training and education as a result. Indeed, it is true that has been the ordinary way of development of educational patterns in this country, that is to say, a responding to demand for training places rather than any broad and comprehensive thinking by individual institutions about their role in the country's over-all employment pattern.

In the present period, not only do our training programs attempt to serve the needs of the young people but, of course, we have developed special services in terms of placement offices in an attempt also to deal with their special needs. Indeed, while the motion deals with the special problem of employment of young people, hon. members opposite quite naturally in effect ran away from that basic part of the motion because in response to the special needs of this group, recognizing the special size of the group entering the labour force, this government has mounted very important special programs to deal with the problem.

I refer to the total of perhaps about $68 million which is being devoted to their special employment needs during the course of these summer months alone. There is a narrow line here of judgment about how much should be done or can be done for a particular group, a narrow line which finds hon. members opposite still urging us to do more, but a narrow line I know we could have so easily crossed in their view, so that they would have criticized us for over-emphasizing services to this group rather than under-emphasizing.

Hon. members opposite have referred to housing as a special category of activity which can be emphasized. They do this, of course, in the face of figures which show that we may be having an excellent year indeed in terms of housing and housing construction in this country. It is a serious problem, a need to be filled, and it is also a serious challenge and opportunity, in terms of employment and indirect employment throughout the economy.

Again, in the field of public housing, this government has been doing a tremendous amount to improve the availability of housing to those who need the housing so very greatly and for whom previous programs were not adequate. In the last two years more in the way of public housing will have been done than in the whole previous period of the program. This represents a very clear concern for the needs of the people of this country, and particularly of those who may be less fortunate than those people who can control and claim from society a higher and higher share of the available goods. I am speaking, of course, about this chronic and constant problem of those with power in this country who can claim in the way of compensation for their services, whether for labour or for capital, more than they ought to claim on reasonable grounds, and who therefore contribute to the inflation problem which has to be overcome in other ways.

In the examining of employment figures, Mr. Speaker, and figures of unemployment it is popular to compare figures for one period with another, and figures for one country with another, and this is done frequently without very much precision about what has changed or what is different in the comparisons. Between countries in particular very frequently the thing being examined is different. The questions being asked in terms of unemployment and employment are different. In terms of periods of time, even within this country of our's, there is a great deal of change in any three year, five year, or ten year period, in terms of the demands and the attitudes of the people of the country. These things must be borne in mind in comparing periods of unemployment with previous periods of unemployment.

Without much doubt there is a greater tendency today for many members of families who might not, in a previous decade, have sought to enter the labour force, to do so. This reflects itself in the fairly revealing analysis of families with unemployment problems, or families in which there is some unemployment. If in April, for

instance, there were 529,000 family units in which an unemployed person was to be found, in 318,000 of those units some one, two or three other members of the family were at work at the same time. This represents perhaps a change in the nature of the demand for work in our society, and it also represents some significant difference in the way in which that employment or unemployment burden falls upon the people who are involved.

There is no doubt that in dealing with the economic situation generally we must continue to do what we have been doing in terms of watching the economy very closely, in terms, as of the last 12 or 13 months or so, of turning around this situation very dramatically by something like $2 billion in total additional infusion of capital into the economy.

Some hon. Members: Oh, oh.

Mr. Comeau: Do you think you're in the circus?

Mr. Lang: Hon. members opposite laugh. I know that the hon. member for South Western Nova (Mr. Comeau) has conceded he knows nothing about the subject, and has no experts to advise him, but I believe hon. members opposite generally share that view. They seem to ignore—

Some hon. Members: Oh, oh!

• (4:40 p.m.)

The Acting Speaker (Mr. Laniel): Order, please. The Chair feels that hon. members should allow the minister to complete his remarks and also permit other hon. members to listen. The Minister of Manpower and Immigration (Mr. Lang).

Mr. Lang: It is very surprising, Mr. Speaker, to find that hon. members opposite still do not choose to recognize the important effect upon the economy of several billions of dollars of turnaround in fiscal and monetary policies in the course of the last 13 months or so. The hon. member for South Western Nova admitted his inability to offer very many positive suggestions to solve the problem. He says he cannot because of his lack of resources but of course this will not stop him or his colleagues from proffering elaborate criticisms of whatever is done in the next several weeks when a further statement will reveal what this government considers should be done in an attempt to continue to move in a responsible way toward growth in the economy.

We must maintain in our sights the responsible development of policy in order that the growth of this country and the attitude toward growth be established for the future. It would not solve anything to simply turn back to those nearly disastrous days of spending without regard to the impact upon inflation. This is not in the long-term interest of the country and does not reflect the attitude of those people who must make the decisions. We must re-establish a belief in the responsibility of government, not seeking short-term political ends but seeking to do those things which are economically sound. In the development of this country, we must not only think of today or the political consequences which hon. members opposite are so concerned about, but we must think of the long-term benefit.

We must continue to do better than some of our neighbours and some of those economies which influence us very greatly. We can and will create an atmosphere for growth in this country, notwithstanding the gloom and doom so popular among hon. members opposite which attempts to inhibit the progress of those who make the decisions. I say to them that this is a time to have confidence in this country, confidence in those who make the decisions for the investment that will provide jobs for the great numbers entering the labour force. This is a country of which we can all be proud and of which most Canadians are proud; it is a country which will grow and develop and these short-run problems will be dealt with by programs which are right for the short term and also for the future of this country.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I think we have all been interested and entertained when listening to the Alice in Wonderland speech just delivered by the Minister of Manpower and Immigration (Mr. Lang). When listening to him one would think that we were living in a country where the economy is booming, where the government had great foresight and was conducting the affairs of the country in a first class manner. Instead, we are, in fact, living in a country where unemployment today stands at 7.8 per cent of the work force, where inflation has been rising during the last three months at an annual rate of 7.2 per cent, where taxes are the highest ever known in this country, where the Dominion Bureau of Statistics has described the economy as being at a virtual standstill, and where the government is obviously at a complete loss to know where it is going or how to deal with the problems facing us.

As we all remember, at the beginning of the year the Prime Minister (Mr. Trudeau), the Minister of Finance (Mr. Benson) and other ministers advised us that unemployment had turned the corner and that inflation was licked. Obviously, these ministers have no idea where they are going, where they have come from or what they ought to do next.

Some hon. Members: Hear, hear!

Mr. Hees: The minister made one statement with which I completely agree and I am sure we all would, so I jotted it down. He said, "The government must create confidence to stimulate the private sector." Of course, that is what the government must do, Mr. Speaker, but in the next few minutes I intend to show that the policies followed by this government have been doing exactly the reverse.

The principal reason that the economy of this country has not been expanding fast enough to come anywhere close to absorbing our rapidly increased work force is a lack of confidence in the future of the economy in the minds of the businessmen of Canada. This lack of confidence has caused them to put off the decisions which they otherwise would have made to expand their opera-

tions, thereby increasing production and increasing employment. Why has this lack of confidence developed? The reason is exactly the same as that which caused the hon. member for Trinity (Mr. Hellyer) and the hon. member for Duvernay (Mr. Kierans) to resign. Incidentally, they are the only two members of the government who ever owned and successfully operated their own businesses and thus have an idea of the practical realities of practical economics. What caused them to resign is exactly the same reason that is causing this lack of confidence in the minds of businessmen across Canada today. I refer to the increasing conviction that the ministers of this government responsible for economic policy have no idea what policies are needed to enable business to expand, to increase sales, to increase production and thereby increase employment.

Businessmen in the business community generally have become disenchanted in several fields and the first is the determination of this government to continue to fight unemployment by increasing public expenditures instead of lowering taxes, thereby putting more money in the pockets of the people to enable them to buy more of the things they need and in this way stimulating sales, production and jobs. We have been urging the government not to follow this policy for a very good reason: that we had some experience with this policy several years ago when we were the government. In June, 1957, when we took office we inherited an economy that had been running downhill for a full six months—

Mr. Olson: Tell us about 1963.

Mr. Hees: —and already had considerable unemployment which was rising at a sharp rate. We tackled this problem by the accepted method of the day, Mr. Speaker, the same method the government is using today to try to fight unemployment.

Mr. Lang: In four years you hit a new low.

Mr. Hees: We found out, and they will find out, that although this method of trying to combat unemployment by increasing public expenditures is a satisfactory one for creating jobs in the short run, it is completely unsatisfactory in the long run for two very good reasons. The first is, as we found and they will find, that the capital cost of creating a single job is so high that it is impossible to employ more than a relatively few people for any long period of time; the second is that once the public works which are sponsored in this way are completed, you are right back where you started with the unemployed people still on your hands.

We found, Mr. Speaker, that the only practical way to combat unemployment was to stimulate the economy. The simplest way to do that, Mr. Speaker, of course is by lowering income taxes, putting more money into the hands of the Canadian people to buy the goods that they need and thereby increasing sales, increasing production and increasing jobs on a permanent and growing basis at no cost whatever to the treasury of the country. To make such a program of tax reduction effective, I believe that the Minister of Finance, in the budget that he will present on the 18th of this month, should be prepared to bring in a deficit of up to $1 billion. He ought to bring in a worth-while tax reduction so that the economy may be stimulated in an effective, important and worth-while way.

• (4:50 p.m.)

These tax cuts, Mr. Speaker, will pay for themselves many times over in the years ahead in three ways. First of all, considerably more people will be working and paying income tax instead of drawing unemployment insurance or direct relief. Secondly, there will be considerably greater amounts of products sold, thereby making possible a far higher intake of commodity taxes. Thirdly, increased production which will result from lowering these taxes will reduce overhead per unit of production. This will make possible more profits to tax and also make possible higher corporation taxes.

Another reason for this lack of confidence that is holding back the economy today is the fear of the implementation of two proposals in particular contained in the white paper on tax reform. The first of these is the proposal to cancel the 21 per cent tax rate on the first $35,000 of profits and to replace that with a flat 50 per cent rate. This measure was introduced a number of years ago and has been maintained by all governments since, and for the very good reason that it is extremely useful to small businesses from two points of view. The first of these, Mr. Speaker, is that it makes it possible for small businesses to obtain the capital they need for expansion out of profits. If they have to pay 50 per cent or 50 cents on each dollar from the first dollar that they earn and are not able to accumulate capital as they did, the only alternative will be for the businesses to go to the marketplace and borrow money at a very high rate of interest. The rates of interest will be high because those businessmen will not have been in business long enough to have acquired a good credit rating. As a result, they will be charged very high rates of interest in the money market. People in small businesses today fear that the Minister of Finance will implement this proposal in his budget. That has been their understanding for quite some time and that has had a very marked effect on the production of jobs in the country.

The other reason that the 21 per cent tax rate is important to small businesses is that the rate is very helpful in persuading young men to take the important step of leaving the comparitive shelter and security they enjoy in working for an established firm and going into business for themselves. Our country, or any country for that matter, needs many new businesses to be created each year by young and aggressive men with drive, determination and perseverence. If those young men who are considering going into business for themselves, and leaving the shelter and security of the firm for which they have worked, realize they will have to pay in tax 50 cents on every dollar from the first dollar they take in, they will be far less interested in making this very risky move. They may not make a success of the venture, they may have to go through a number of years of lean picking and they will have to go through the usual trials and tribulations connected with a business establishing

itself, so this tax rate will cause them to hesitate. If they decide they will not go into business for themselves, there is nothing we can do about it. They just will not start new businesses. That has happened today in a very large number of cases. It was with these considerations in mind that this 21 per cent tax rate was first introduced. It was realized that if owners of new businesses could keep 79 cents of every dollar, up to the first $35,000, they would have a good chance to accumulate capital, to expand that business, to make good profits and to make a good livelihood. Therefore, this slowdown in the creation of new businesses is very serious. That slowdown has produced a slowdown in the creation of new job opportunities, which is very serious indeed.

The second item that the Minister of Finance is proposing in the white paper which is causing a great deal of alarm is the proposal to tax unrealized capital gains. That proposal, Mr. Speaker, is so unworkable, so unrealistic and so unfair that it hardly deserves to be considered in a serious place like this chamber. Consider this: the Minister of Finance has told the people of Canada that he will name "V Day", which is Valuation Day. Then, on that mysterious day, everyone in the country, whether he be a businessman, farmer, storekeeper or anyone else, will be investigated by a great army of valuators. Where they are all to come from I do not know. This will be a mysterious procedure. Everything we own will be valued. Then, five years later this army of locusts will descend on us again and look over everything we own. Then, they will sit down and say, "Your holdings are worth so much now; they were worth so much less five years ago. You owe the government some money as a result of the increased value of your holdings." Of course, those gains may not have been realized; the people who are to be charged for those gains will have nothing with which to pay those taxes, and so I say that that proposal is completely unworkable, unrealistic and unfair.

Some hon. Members: Hear, hear.

Mr. Hees: This kind of thing has caused people generally, and people in the business community particularly, to lose confidence every day in the Prime Minister, the Minister of Finance and in all those around them as men of business sense and practical, economic knowledge. This is a very real reason for losing confidence.

In order to restore confidence, the Minister of Finance should announce that he intends not to introduce these two proposals either now or in the future. This would be of great help in restoring the confidence of the business community. However, Mr. Speaker, that is not the government's plan. The government's plan is quite different. The government plans to make this coming budget of June 18 an election budget.

Some hon. Members: Hear, hear.

Some hon. Members: Oh, oh.

Mr. Hees: You watch it, Mr. Speaker. When it comes down on that night, only attractive items will be included in the budget and all the unattractive things will very conveniently be left out until a later date. I will have something to say about that later date in a moment. You will see in that budget tax improvements for the people who earn up to $9,000 a year. In order to pay for those tax improvements, the minister will introduce a capital gains tax on realized capital gains. That has been expected for quite some time. But there will be no mention of any tax increase for people in the middle income brackets. There will be no mention of replacing the 21 per cent tax on the first $35,000 of profits with the 50 per cent flat levy. There will be no mention at that time of the proposal to tax unrealized capital gains.

Why is that, Mr. Speaker? I say that the government's plan is simply and strictly a political plan. They have no reason to believe from what their economists have told them—and I know this to be a fact—that next winter is to be any better from the point of view of employment or inflation than was last winter. Probably it will be worse. They have no intention of going through another winter such as the last one and endure the battering they got from the opposition and citizens of Canada, and hold an election next spring.

Here is what they are going to do. During the summer they will have this high priced group of public relations people that has been mentioned this afternoon going around the country and building up the government in every way they can. During the summer the weather is warm; people take holidays; jobs are always more plentiful. Everyone feels better at the end of the summer. At the end of the summer, around about September 1, this government, on some pretext such as that the opposition is holding them up or they want to get some kind of assurance from the people of Canada that the people are in favour of constitutional change, and so on, will call an election. The Prime Minister will certainly find an excuse and he will call an election.

He intends to call an election about September 1, or at any time before the end of October, before the next bad winter sets in. Then the plan is, and this is a fact, for the Minister of Finance to bring in the tax increases for people in the middle income brackets. The 21 per cent tax will go out and the 50 per cent levy will be adopted. The tax on unrealized capital gains will be introduced. The people of Canada will get this entire package after the election, which the government hopes to win. God help us if they ever do. I am convinced that they will not, but if they ever do, this is what they intend. This is the government's plan. There is no question about that.

• (5:00 p.m.)

This budget will be what might be called a window-shade budget. The government intends to pull up the shade for a few months this summer, let in a little sunshine, have everybody happy and, after the election, if by some mischance the government should win, that shade will again be pulled down and the people of Canada will find themselves in the same financial and economic darkness as they are in today.

I would like to spend a few moments speaking about what should be done to deal with inflation which makes our products harder to sell and thereby reduces sales, production and jobs. We have a right to ask what the government should do to keep the inflation within the 2½ per cent increase per year, the average inflation year by year that we have experienced in this country for the past 70 years since DBS started keeping track of that figure. This average 2½ per cent per year permits us to sell our products at prices satisfactory to our customers and to maintain our standard of living.

As we all know, a year ago the government tried to control inflation by means of voluntary guidelines. They failed dismally because no penalties were provided for not observing these guidelines. In order to keep inflation within a 2½ per cent yearly increase, the government must work out a percentage increase above which prices cannot be allowed to rise within a year and a percentage increase above which wages cannot be allowed to rise in that same year in order to make that price limitation possible. These will be the price and wage guidelines for the year ahead.

The government must advise management and labour that if these guidelines are not obeyed, mandatory price and wage controls will be introduced without delay. In order to put teeth into this program, so that management and labour will know the government means what it says, it should now be at work preparing these mandatory controls. It all depends whether management and labour believe that the government has the courage to bring in controls if its guidelines are not obeyed. If management and labour are so convinced, and I know this because I talked to a great many businessmen and labour leaders who have told me the same thing—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I must advise him that his time has expired. He may continue if there is unanimous consent. Is there such consent?

Some hon. Members: Agreed.

Mr. Hees: Thank you very much. I appreciate the courtesy of my fellow members. I assure them I will only be one more minute.

It is very important that management and labour know that the government means what it says and has the courage to bring in mandatory price and wage controls if there is no adherence to voluntary guidelines. Labour and management leaders across the country have told me that the one thing they do not want is mandatory controls. If they are convinced that the government will bring them in if voluntary guidelines are not obeyed, these guidelines will be obeyed. That is what the government must do.

In conclusion, Mr. Speaker, it is obvious that there is a great deal to be done to bring unemployment and inflation under control. The government should have started to take these steps a long time ago. We have pointed out what these steps are. We continue to urge the government that they must act now. It is imperative that these steps be taken without further delay.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Manpower—Alleged discrimination against women in training programs; the hon. member for Compton (Mr. Latulippe)—Inquiry of the Ministry.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—ALLEGED FAILURE OF GOVERNMENT TO ESTABLISH PROGRAMS TO PROVIDE FULL EMPLOYMENT

The House resumed consideration of the motion of Mr. Comeau:

That this House records its deep concern upon reviewing the government's continuing repudiation of its duty to establish full employment programs, and the consequent failure by the government to establish programs and polices which will give young Canadians the opportunity to enter the labour force.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, ordinarily one congratulates a member and thanks him for bringing a motion before the House. However, today, the hon. member for South Western Nova (Mr. Comeau) has to be congratulated on his acting ability. Seldom have I heard so many tired platitudes and trite cliches strung together in such a tone of righteous indignation as we have been treated to by the hon. member.

We have been blessed because the hon. member for Prince Edward-Hastings (Mr. Hees) has given us a preview of what is likely to happen. Had the Minister of Finance (Mr. Benson) known that his work was being done for him elsewhere, no doubt he would have been here today. However, the choice of the subject today finds the Minister of Finance very close to a budget and hence, in a practical way, precluded from taking part in this debate.

During the series of debates that we have been treated to on opposition days throughout the winter and spring seasons, various ministers have described the active, effective programs which their departments are conducting to improve the employment opportunities of Canadians generally and young Canadians in particular. These programs are important, substantial, practical and effective, but the fact remains that in our free enterprise country, the major opportunities to solve economic problems, including the provision of more employment, lie in the private sector. There is a distinct limit to the results that government can attain directly.

This is not to say that additional government interventions in the economy would not be possible. Whether

they would be effective in achieving the desired results is debatable. What is not debatable is the fact that massive new interventions, as some advocate, would take us closer and closer to a different economic system than the free enterprise system that has, by and large, served us so well and has permitted us to enjoy a standard of living and of personal freedom unapproached by nations practising other economic and political philosophies.

In Canada's free enterprise economy, optimum results do not automatically flow from unilateral government intervention. Rather, they result from a combination of public and private decisions, actions and policies when the public input, the government's contribution, creates and maintains the economic environment within which the private sector can make and execute sound decisions.

Canada's economy is not isolated from those of its trading partners, nor from those from whom it receives capital, but we have shown that we do have an important measure of room in which to pursue independent policies with success. That is not to say that we can have our cake and eat it too, for example that we could pursue more vigorous anti-inflationary measures than other countries while maintaining relatively fewer on the public payroll and have less unemployment then them.

It would be most helpful if we could know in advance the degree of vigour with which other nations are going to pursue their economic policies and the measure of success with which they are going to be content. Not knowing these facts in advance means that we are bound to get a bit out of phase from time to time and there is no doubt that Canada's relatively greater success in executing its economic policies can and has on occasion created as well as solved problems. Nevertheless, we must aspire to a balanced economic policy that is best for Canada and hope that, in the long run, our trading partners will do equally well for themselves and thus for the entire economic community of which we are a part.

I have said before and I do not mind saying again that certainly we have more unemployment than we would wish and that is, unquestionably, a personal tragedy for those caught up in it. That would be equally true if Canada's unemployment, seasonally adjusted or otherwise, were 1 per cent or less. This element of personal tragedy is real and will always be real regardless of all the effective measures that governments at all levels have taken to assist the unemployed and to reduce unemployment.

• (5:10 p.m.)

Employment is high, too, and this is no tragedy. Canada's work force is growing faster than the work forces of most other western countries. This growth rate has been about 3 per cent per year for the last three years—last year it was 321,000 workers, or 4 per cent—which means that a great many new jobs have to be created in Canada every year just to keep the unemployment figure—in numbers, not percentages—the same. Last year, employment in Canada, the number of people working, rose faster than that of any other industrialized nation, the United States among them.

We are accused of deliberately creating unemployment to beat inflation. That is arrant nonsense. It totally ignores the unemployment which would have followed from lost exports had inflation been allowed to continue in Canada. Our 1970 merchandise trade surplus of $3 billion was due in large measure to our superior price performance and by all traditional measuring sticks that meant over 200,000 jobs; over 200,000 more employed Canadians. The inflation problem common to all western nations has not disappeared and Canada must, and will, pursue economic policies designed to maintain our relatively better performance over the long term.

An area in which we are suffering from no shortage of expert advice is that of wage and price controls. We are indebted to the hon. member for Prince Edward-Hastings (Mr. Hees) for a renewed offering today. It is the main thesis of a number of prominent critics of the government's economic policies that the only way in which inflation can be satisfactorily contained at the same time as an acceptable employment level is maintained, is by the institution of an incomes policy, price and wage controls of some description.

The hearings presently being conducted by the Senate Committee on National Finance certainly provide ample academic and theoretical support for any position one wants to take on this subject. The eminent British economist, Sir Roy Harrod, is reported and quoted as advocating an incomes policy, compulsory if necessary, although he specifically said he was talking about Great Britain and the United States and that he would not like to venture an opinion about Canada. Dr. Richard Lipley, another distinguished British economist presently incumbent at Queen's University was questioning the acceptability and viability of an incomes policy in a free market society, except perhaps on a voluntary basis over the very short term. He also concludes that the incomes policy operated in Great Britian during the late 1960's had, in fact, been inflationary.

Mr. J. Douglas Gibson, an eminent economist from the private sector, sees the answer to be reduced taxes with a consequent increased deficit which he admits would, in itself, be inflationary. He acknowledges that Canada's unemployment problem is different from that of most other countries in that we have rising employment, which is simply not keeping up to the increase in the work force. Mr. Gibson encourages actions which would tend to reduce the exchange rate of the Canadian dollar, while economics professor A. D. Scott of the University of British Columbia contends that the rising exchange rate has neutralized the imported element of our inflation.

It is not my intention to pursue in detail the proceedings and evidence being elicited in the Senate Committee. I have merely cited a few examples to illustrate the diversity of expert opinion available to those who must ultimately decide. Meanwhile we find the Economic Council of Canada advising us that its mandate extends only to medium and long-term matters and constantly reminding us that its comments are directed in accordance with its mandate, to the medium and long-term. All

the while they are admonishing and reminding us of their medium and long-term functions, they are being quoted as an authority on immediate and short-term solutions which is precisely what they deny advancing. The Senate Committee proceedings certainly establish that there is ample room for bona fide disagreement on economic policies. Under that circumstance, deliberate distortions of the position of the Economic Council of Canada appear inexcusable, even in the interest of political expedience.

What really concerns me now is not the criticisms of the state of the Canadian economy or of the government's economic policies, but rather the uncritical acceptance of some of the remedies proposed. The danger is not that Canadians will accept the critics' assessments of the state of the economy, because if that is as far as it goes, actual performance will soon prove them wrong. The danger is in going a step further and accepting their prescription—a controlled economy. A controlled economy is what is really being talked about whether it is called "mandatory price and wage guidelines.", "a comprehensive prices and incomes policy with teeth", "selective price controls" or "compulsory and binding arbitration". We find spokesmen of the left who would not for a moment interfere with the right of the worker to get what he can out of the economy by collective bargaining advocating price controls, rent controls, ceilings on interest, limits on capital return and so on. We find spokesmen of the right, who would not for a moment interfere with the right of the entrepreneur to get what he can out of the economy by free operation of the market, advocating compulsory arbitration, labour courts and other state pre-emption of the collective bargaining process.

We find all sorts of people advocating controls of other peoples' prices, never their own. And we see, in the middle, a government which has to ensure that the economic system works, which has to balance the various claims on production, which has to establish and preserve the economic environment in which the fair share of each and every one of those claimants can be maximized by increasing productivity. The real danger to Canada from those preaching exaggerated views of the state of the Canadian economy lies not in their selling those views but in selling the view that exaggerated remedies are desirable, even essential. These suggested remedies will never be desirable. I hope they will never be found to be essential.

Canada operated a controlled economy during the war. We established a Foreign Exchange Control Board whose function it was to control exchange dealings and international capital transactions. Its real job was to advise upon methods and to execute policies to conserve Canada's balance of United States dollars. It found that to make its work effective it had not only to control and manage regular international transactions, but to call upon the government to limit imports ruthlessly, to realize on Canadian assets in the United States and to borrow heavily in the U.S. market. We have heard, in recent weeks, arguments in the House of Commons that because of the current pressure on our dollar as a result of our move into a positive balance of payments position, which is the reverse of the wartime problem, it would be highly desirable for Canada to establish an interim foreign exchange control system.

During the war we also set up a Wartime Prices and Trade Board responsible for the whole field of price controls and consumer protection. It started out with selective controls, dealing only with the necessities of life, rents, fuels and a selection of foods. Within two years it covered all goods and services and was enforcing a price ceiling. For a number of items, prices management alone proved inadequate and physical rationing was implemented to assure a fair distribution at the administered prices. By late 1942, there were, in operation under the Wartime Prices and Trade Board, a wool administrator, a coal administrator, a sugar administrator, a hides and leather administrator, an oils administrator, a rent administrator and some 85 other administrators, complete with staffs of varying magnitude, all concentrating their efforts on the price management of particular commodities and services. I would hesitate to estimate the number of suggestions I have heard in recent months that this, that or the other price, be it bank interest, rent, dividends or particular commodity or service prices should be subjected to ceilings—in other words, that we need selective price controls.

The National War Labour Board, during the war years, started by administering wages and bonuses, but very soon found it had to assume centralized control of all labour policy, not just that which came under federal jurisdiction. In addition to controlling the federal conciliation service and enforcing the federal Industrial Disputes Investigation Act, it controlled provincial labour policy through nine provincial boards under the chairmanships of the nine provincial ministers of labour. Again, I cannot estimate the number of times in recent months that demands have been more for wage controls in particular industrial situations. Needless to say, they do not usually come from the people who suggest rent or dividend limitations.

• (5:20 p.m.)

I have left out of this litany the numerous boards and agencies concerned with procurement and production of weapons and so on, and the various agricultural boards whose main purpose was to supply food to Britain. Their function was peculiar to war. The three I have described—the foreign exchange control board, the wartime prices and trade board and the national war labour board—are the three that dealt directly with the areas where advocates of controls today see those controls as necessary—the external value of our dollar, the prices of goods and services, and wages and other labour costs.

In addition we had an excess profits tax, and that, too, is something frequently suggested today by those who see the need for the government to limit business profits. Another proposal is mandatory guidelines that would limit the profit of business to the long-term capital return actually experienced in a particular industry. One might greet these suggestions with more enthusiasm if one felt that limitation of initiative—a resignation to doing no better than in the past; a static business community—would be in the national interest.

In wartime it was legally possible for the Canadian government to deal with every phase of the Canadian economy. Daily orders in council under the authority of the War Measures Act disposed of the most minute economic details, most of them items clearly within the constitutional competence of the provinces. Today's proponents of controls have religiously ignored the constitutional issue. If they are serious, if their advocacy of controls is in good faith, they have the obligation to answer this question: What is to be the legal basis for the action by the federal government which they propose?

Assuming a legal basis can be found, will controls work? During the war we had a massive national consensus, a will to win, a willingness to sacrifice. Even with that we, and for that matter every other country whose economic experience lay in free markets, had our grey and black markets. Does that national consensus exist today? I think not. If it did, the support for voluntary restraint would have made the efforts of the Prices and Incomes Commission a greater success. Current experience in countries with controlled economies and, indeed, established traditions of controls would tend to confirm that, without the support of a national consensus, mandatory economic controls do not, in fact, work well. Like so much other socialist dogma, the fact bears little resemblance to the theory.

The lesson of our wartime experience is that selective measures very quickly become comprehensive; that continued successful regulation of a given activity depends on the regulation of an increasing circle of decreasingly related activities, that general guidelines breed detailed directives; that simple, broad objectives evoke complicated, detailed controls. The lesson of our wartime experience, if we care to recall it, is that Canada with a controlled economy is a very different Canada from Canada today. It is not one to which those who care to remember would cheerfully return. Let us keep that in mind when aggravation with the uneven operation of our economy tempts us to cry "crisis" and to demand direct state intervention.

The government has not rejected the possibility that specific controls, within its lawful competence may be needed and that particular intervention when collective bargaining processes break down may be unavoidable. I, personally, doubt that controls would produce the benefits that their advocates envisage, but I have no doubt whatever that their cost would be paid in terms of individual freedom. Some unevenness in the operation of the economy is the price that Canadians pay for a great deal of personal freedom in our economic decisions. To date it has proved a price well worth paying. Given the will to make our free economy work, we can continue to enjoy that freedom; but that will must be shared by all sectors, government, business, labour. Immoderate demands on the economy by any sector may very well confront us with a very different economy and a very different way of life than we have heretofore enjoyed.

The Minister of Finance will be bringing down his budget two weeks from tomorrow, on June 18, barring some major unforeseen event. I understand that it is intended that the six day budget debate will commence the following Tuesday, June 22, and, allowing for the St. Jean Baptiste Day holiday, will terminate on Wednesday, June 30. We will, in the budget and ensuing debate, be in a position to discuss the economy in a prospective, rather than retrospective, way.

Meanwhile, we will note with interest any and all responsible suggestions forthcoming from all sides of the House during today's debate, as we have noted and considered those made during earlier debates on economic issues. I do hope, however, that in advancing ideas all hon. members will bear in mind the facts of Canada, including in particular the fact of the fastest growing labour force in the free world; the fact of a free enterprise economic system that an overwhelming majority of Canadians want to see strengthened and preserved, not subverted and destroyed; the fact of our partnership in an international trading community and capital market; the fact that there are legal limits to the legislative power of the federal Parliament and to the executive power of the federal government.

The government cannot, in making its budgetary decisions, divorce itself from these realities. Suggestions that ignore these realities, whatever their credentials in abstract theory, are grossly irresponsible, and the more highly placed their proponents are, or are imagined to be the greater the element of fraud, deceit and political expedience in exploiting them.

Mr. Lundrigan: May I ask the hon. member two very simple questions? First of all, was he speaking for the government in making his remarks? Secondly, has he seen any contingency plans that the Prime Minister and several other ministers, namely finance, labour and external affairs, have referred to nationally? If he has not, perhaps he can say why all of these remarks by these hon. gentlemen about contingency plans for the control of prices and wages were uttered, in view of the speech the hon. member has just made?

Mr. Mahoney: Mr. Speaker, I did note in my speech that the government had not rejected the possibility that controls would be required in emergency situations. Certainly, in response to questions here in the House the Minister of Finance has indicated that since these controls have not been introduced, obviously the government does not deem that the emergency they are designed to meet in fact exists.

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I should first like to congratulate my colleague, the hon. member for South Western Nova (Mr. Comeau), for introducing the motion today, one which is very timely in view of the critical situation of student unemployment, to say nothing of unemployment generally. Everyone recognizes that the student unemployment problem has reached critical proportions: almost two million of our young citizens, approximately ten per cent of the population—a portion of our population to which we will look for the future leaders of this country—are denied employment opportunities because the government

has not been able to plan to cope with the basic need for employment in our country.

I can understand such a situation arising if an emergency came about suddenly. But since the government was aware in years past that the problem would recur, that this need would arise each year, it should not have failed to provide the leadership to cope with the situation, having been warned by the Dominion Bureau of Statistics, the Economic Council of Canada, and especially having been warned by every member of this House of Commons.

As long ago as last September the Leader of the Opposition (Mr. Stanfield) warned the government of a recurrence of this situation when at the last minute the government introduced some makeshift program to provide student employment. Instead of starting to plan at that time for the following year, the government simply hoped that the problem would run away. Instead of consolidating its position, making an assessment of the situation, learning some lessons from its previous errors and making some improvements on the 1970 program, the government was content to rest on its laurels.

In March of this year, it produced another program which was too late to provide an over-all plan to benefit the greatest number. Instead of starting last fall, after the 1970 program was completed, to plan for this year and introducing a program early enough, what has happened? True to form, the government announced its 1971 program on March 16 with deadlines for submission of projects too soon thereafter. As a result, proper communication of information to those areas where the need was greatest was denied. True to form, this government made its usual announcement about how concerned it was about unemployed Canadians, especially students, which sounds wonderful over the news media but produces, in fact, too little too late. The announcement by the Prime Minister was of the usual type. He repeated, as he does too often, the concern his government has for all Canadians in need.

• (5:30 p.m.)

It is worth while repeating some of his words about this government's concern for the almost two million students who would be seeking jobs and the rest who would be in search of other equally meaningful summer activities. It is in the national interest, he said, that the wishes of as many persons as possible in each category be accommodated. He also said that the advantages of summer employment are so obvious, however, in terms of self-support, of broadening of outlook, of acquisition of new skills and experience that every effort by governments to assist is justified. The Prime Minister further said that there is equal justification for assisting students who do not seek work but who want to occupy their summer vacations in undertaking other rewarding and worth-while activities. That may be wonderful speech writing, Mr. Speaker, but there has been little in the way of meaningful action. When these words were being uttered to the country there was not one bit of planning in progress to set up the administrative support to get the program in motion.

Employment Programs

I visited the offices of the Opportunities for Youth program just before the deadline for submission of projects. They were still setting up the offices in a makeshift manner. There was only one telephone. There was no office space and there were no desks. They were running around like a bunch of—well, I don't know what. Only days before the deadline for the submission of projects some Manpower centres were still not aware of the program. Mr. Speaker, there are places in this country where the people still are not aware of the Opportunities for Youth program despite all the public relations experts and the advertising agencies. It makes me wonder what Information Canada has been doing all this time.

As recently as three weeks ago some Manpower centres in this country had no details of the student militia and civilian employment programs. Ever since the program was announced it has progressed by accident rather than design; and the credit for the little progress it has made is due to the staff who have worked under the most trying circumstances because of lack of fundamental preparation on the part of the government. Despite all the fanfare about and expression of the good deeds of the government, the whole point of the problem was missed.

The aim of the exercise is to provide employment opportunities for the students of our country who need money in order to further their education. They need money because financing their education creates hardship for parents who cannot afford it. It is as simple as that. If they can provide the $67 million to finance such a program, all credit to the government. If the money is hard to come by—which I appreciate—and the government cannot provide enough to assure everyone a job, then the solution is again simple. Every last copper of the $67 million should have been directed toward helping those who cannot afford to pay for their education.

It is fine for the government to provide programs whereby students can travel Europe. It is fine to provide moneys for students to hich-hike across Canada to learn about our great country. But when so many of our youth are denied an education in our affluent society because they cannot afford it, then for the love of God let us consider what our priorities are. If the government refuses to recognize the fact that there are five million poverty-stricken Canadians because of senseless priorities, then let us direct our spending to help educate the children first. If we want to teach our youth to stand together and understand together, let us introduce meaningful participatory programs wherein we can use their knowledge and direct their understanding to useful purposes by helping those who are unable to help themselves.

Our great country was built through the hard work of our parents and their ancestors and we have produced some pretty good citizens. Let us continue on that course and give students some responsibility to help us, and not send them on the road because we want to get rid of them, with the camouflaged excuse of believing that they are gaining something which will make them better Canadians.

Employment Programs

One of the most successful programs introduced last year was the student militia program. It was heartening to learn that this year the program would be expanded from 5,000 to 8,000. It was also heartening to learn that this year the program would be expanded to include meaningful civilian employment and leadership training. But imagine how discouraging it is now to find that the program is being cancelled in some parts of Canada, due primarily and utterly to lack of preparation and attention to the support facilities required. I knew, just as sure as I am standing here, that such a problem would arise because I was aware of the lack of support services to cope with the program last year.

To give an example of how much the government listens when someone in the opposition tries to help, as long ago as last March 25 I asked the Minister of National Defence (Mr. Macdonald) if, in view of the extension of the student militia program to include armouries which are administered mainly by militia units, he would announce as soon as possible the quotas for provinces to ensure that the district headquarters would be able to request logistic support and instructional staff from regular army resources to maintain the training program. The minister replied that he would keep the representation in mind. What happened? About three days ago one armoury in my constituency was informed that its program would be cancelled due to a shortage of instructional staff, and that 25 students would now be denied the opportunity to participate in the program. This, to me, demonstrates an out-and-out lack of regard for representations made by Members of Parliament, let alone lack of regard for our people.

As recently as April 1 I introduced a motion under Standing Order 43 asking the government to extend the deadline for submissions under the Opportunities for Youth program because it was obvious to me that information was not being received by many isolated communities which were beyond the reach of the news media and far away from Manpower centres. As usual, nobody listened to a reasonable request, with the result that many communities submitted projects too late or even now have not heard about the program, although they may finally have heard about their right to equal opportunity. These are the places where students will never get a university education, Mr. Speaker, because they will never be able to afford it and will never get the message of equal opportunity no matter where they live.

As late as March 30 last, as recorded in *Hansard* and as reflected in a question by the hon. member for Cape Breton-The Sydneys (Mr. Muir), some Manpower offices did not have information concerning the program to pass on to residents. As late as March 24 and 29 I asked the Minister of Manpower and Immigration (Mr. Lang), since it was obvious that information was not reaching people in the provinces of highest unemployment, if quotas would be allocated to assure those parts of Canada some portion of the moneys. Again there was a matter-of-fact answer that indicated passive interest.

Upon reviewing the many projects submitted it is obvious that our youth have shown that they have initiative and original ideas. Most of the projects are worthy of commendation. There is also a clear indication that our adult citizens are willing to help the government by showing leadership to students in promoting worth-while projects. It is heartening to note the number of projects for campaigns to clean-up our roads, beaches and riversides, projects to help the poor, the aged, the disabled, the mentally ill and projects to promote youth development and medical centres where there is a crisis because of lack of facilities. This is truly commendable. But what about the disappointment that will be experienced when many projects are turned down because of lack of information or lack of funds? Again, this emphasizes lack of appreciation at the planning stage.

Who will explain to these people why their projects were turned down? Just the other day we received a letter from the Secretary of State (Mr. Pelletier) saying the government would allow Members of Parliament—even Members of Parliament on the opposition side—to pass out the cheques for some of these projects. I do not want to pass out these cheques. I would much rather he told me what I can tell Canadians in areas where unemployment is highest whose projects have been refused, and how I can explain why the Department of National Defence had to cut back on promised projects because of lack of funds. How can I justify making these excuses when they ask me, "How is it the government can spend $7½ million on Information Canada, with a $2 million annual budget, and they do not know what is going on?" Perhaps the government has learned some lessons by now. I am willing to give them the benefit of the doubt and say that they might listen.

• (5:40 p.m.)

The idea of the program is good and I hope the government will make an assessment of the lessons that can be learned from mistakes of the past. The first thing to be done is to ask each project leader to make a report on the advantages gained from the program and their estimation of the faults as well as their recommendations for improvement and new ideas. I think that the government, instead of authorizing polls to be carried out across Canada to see how popular they are, should authorize polls to be carried out to learn the thinking of students to ask for their critique of the program and to ask for new ideas.

The government must as soon as possible draw up a program for next year with a deadline for the output of information. I should like to offer some ideas which I think might be worth while. I suggest that the government should direct more attention to anti-pollution measures beyond the probe stage. They should direct more attention to helping the incapacitated. They should direct qualified students to participate in recreational programs for the really young to help overcome our poor efforts toward physical fitness, which is generally recognized.

We should form teams of students to go across this country to tabulate each and every unacceptable home and to help realistically to direct more funds to housing projects where people who are too poor are living in

shameful accommodation. I agree that millions of dollars are being poured into housing for those in the low-income bracket, but a great portion of our population cannot even afford the down payment or cannot afford to take advantage of lower rates of interest to build a home, because they do not have a copper.

We should further expand student training through the militia and mobile command bases to teach leadership and to establish programs oriented toward community participation. We must also think of those who had to cease being students because they could not afford to go to school and who are now walking the streets because they cannot get a job to enable them to go back to school.

There are many questions still not answered although the deadline is almost upon us. I should like to ask the government why the information was so late in going out. I should also like to ask why the government did not stand by their pledge that regional unemployment would be used as a measure. Where do the regionally disadvantaged provinces stand with regard to the allocation of funds? Down at the bottom of the list, as usual. What about the critieria regarding the financial need of students who will be left out in dismay and discouragement, which defeats the purpose of the program? What are the criteria now? They are in bound volumes in offices, and try as we may it is impossible to find out how many projects were submitted from the various regions where the need is greatest. On what basis are projects rejected, cut back or accepted? How do we get the answers for our constituents on the progress that is being made with the projects they have submitted?

I wonder if the government would give members of the House of Commons who are interested and concerned an opportunity to visit the secretariat. We are invited to many meetings and dinners, but I would like us to be invited to the secretariat to see what progress is being made with regard to the projects that are submitted by our constituencies. I do not know whether the government is listening when somebody is trying to be helpful but I hope they will realize that it is most important that they decide on the priorities. This is most important, so that we can ensure the success of our objectives to the most important segment of our society, namely, the youth of our country.

Mr. Leonard Hopkins (Renfrew North): Mr. Speaker, I take pleasure in participating in this debate because some positive things should be pointed out. First of all, we live in the greatest country in the world. We have the greatest potential for the future and we have policies to develop it. The only two countries in the world which have a higher standard of living are Sweden and the United States, and I ask members of the House how many of them would change their positions to become citizens of either of those countries.

Mr. Lundrigan: We are talking of the 650,000 unemployed Canadians.

Mr. Hopkins: I will get around to that subject. Recently a minister resigned from the cabinet. We have heard comments about this from across the floor of the House. He advocated the philosophy that our resource-based industries should be developed at a slower rate, that they should not receive tax concessions in regard to their profits. Hon. members do not seem to realize that these industries are pouring money back into the economy and hence creating jobs. I should like to ask the hon. member advocating this philosophy how he justifies it at a time when many of our mining communities sole source of employment is our natural resources, when economists are telling us that we should be making use of our natural resources for the employment of our people. His concept does not make sense.

What are the policies of the government to create employment? We have greatly expanded ARDA facilities in the last few years, together with the provinces. I am very critical of the way in which ARDA projects are administered. The province of Ontario, like the other provinces of Canada, administers ARDA projects—in this case it is a Conservative government—but on very few occasions are members of the government of Canada invited to participate in the opening of projects or developments in the rural parts of Canada although the federal government provides 50 per cent of the funds.

I should like to cite an example where we provided 50 per cent of the money for an ARDA project in my constituency which is the provincial constituency of Renfrew South. I have received several telephone calls from people who wonder where the ARDA funds are for this project which employed people during the winter months. I telephoned the ARDA people in Ottawa and telephone calls were made to Toronto. To everybody's amazement, it was discovered that the cheque was delivered by the provincial member to the industry concerned. It was taken out of his pocket and handed to the person to whom it should have been sent. It was not even handed to him in an envelope—and it was dated a month earlier than the date it was received.

If hon. members opposite want to refer to the politics in the Opportunities for Youth program, there are cases such as this that can be demonstrated by their counterparts in the province of Ontario. Why should a cheque be a month old when it is delivered to a business which has kept people employed during the winter months when unemployment is extremely high? I repeat that 50 per cent of this money was federal money.

• (5:50 p.m.)

Another thing we must do in the field of education is promote far greater participation by Canadian intellectuals in our universities and in other places of education such as our technical schools. By no means should we encourage people from other countries to come here and take up teaching positions. I support 100 per cent any policy that is aimed in that direction. Another thing which is happening today, largely because of the high cost of education, is the cutting back of teaching staffs which in turn puts a larger number of students in the classrooms. This is creating unemployment at the teaching level. Of course, education is under provincial administration.

We are in an era which probably has the highest number of students in Canadian history. Predictions are that the number of students will decline somewhat but at present we are going through the bulge period. This is why the government has tried in many ways, particularly last year and this year, to provide employment opportunities to students during the summer months. It is difficult to find jobs for all students but there has been more input by this administration into student employment than by any other government in Canadian history.

I also commend the private business sector and the many firms which are employing students during the summer months. We should not give the impression that it is the duty of the government of Canada to employ all our students in co-operation with provincial governments and municipalities. I commend businesses, be they small or large, which have made employment openings in their operations for the youth of the country.

Many commendable student employment programs have been accepted this summer, in spite of the criticism of some. There is always criticism, because no one is perfect in this world. I am extremely proud of one program in my area which is designed to provide recreation for mentally retarded children and adults. When it was first mooted it was suggested the project could not be accepted because it involved bus transportation, but eventually the policy was made flexible enough to include transportation for worthy projects such as this.

I well remember my university days, hitch-hiking along the roads of southern and northern Ontario looking for summer employment. I know on a first-hand basis what this is like. At that time we did not have a student loans program. Hon. members will recall that the student loans program was initiated under the administration of the Right Hon. Lester B. Pearson in co-operation with the provinces. It has proven very successful and has been continued with greater support by the present government.

If you are starting a business, Mr. Speaker, you need a great deal of what is known as bridge financing to carry you over the difficult period when there is no income coming to the firm. I think the student loans program is the bridge financing for our youth today, because the government not only pays the interest up to and including six months after a student graduates from university but picks up the tab for those who for one reason or another do not pay back the loans. The program enables students to continue at university and receive an education.

There is one strong suggestion that I wish to make to the government. It is that in order to assist students—as I say, the largest number in Canadian history—over this difficult period when some of them cannot find employment, the government should place more emphasis on guaranteed student loans in order to bridge their being financed through university and in cases where there is real need, where parents cannot contribute, the policy should be made more flexible with the government backing higher loans for individuals, particularly in cases where students have not been able to make much money during the summer months.

We hear a great deal today from the treasurer of the Province of Ontario who feels that if Ottawa persists in many of its present policies then perhaps the province should opt out of some cost-sharing programs. There is one definite project I would like to see the province opt out of, and it is in the field of housing. At present the federal government is putting up 90 per cent of the money that is being poured into provincial housing corporations across Canada, with the provinces providing the remaining 10 per cent. But at every public housing project you see a notice which reads: This is another housing project by the province of so and so. No mention is made of the contribution by the federal government.

I would gladly agree with the treasurer of the Province of Ontario: let us pay the other 10 per cent and let the people of Canada know that not only is the federal government willing to pay 90 per cent of the cost of this housing but it is willing to pay 100 per cent, and have the program brought under federal jurisdiction. Let us get out of this game of petty politics.

Mr. Deputy Speaker: Order, please. It being six o'clock, I do now leave the chair to resume the same at eight o'clock p.m.

At six o'clock the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

Mr. Hopkins: Mr. Speaker, at six o'clock I was discussing the federal-provincial housing program with which I disagree. To follow up the comment made by the provincial treasurer of Ontario to the effect that they may want to get out of some cost-shared programs, I hope this does not mean that it is his intention to introduce in Canada a policy of economic separation on a provincial basis.

The industrial complexes of central Canada, British Columbia, Alberta, etc. are being called upon and will be called upon in future to hold this country together economically. Wherever the tax base is, that is where the tax dollar must come from to help Canadians in other parts of the country and to keep the country on a sound basis. We must not forget that the have-not provinces use their money to buy goods from the industrialized areas of Canada and therefore deserve some return in the form of the tax dollar.

We have been talking about youth employment and employment in general, but one matter that seldom comes up in debates in this House is that of employment on the farm. We hear a lot of criticism about Bill C-186 from the Conservative party and others in the House.

An hon. Member: It is Bill C-176.

Mr. Ricard: You should learn the lesson.

Mr. Hopkins: This bill provides for the maintenance of employment of young farmers in the rural parts of this country. In a statement in the Ontario legislature in

support of this bill, Hon. William Stewart, provincial Minister of Agriculture, said:

> Mr. Speaker, if I may continue, I suggest that had the national marketing legislation now before the House of Commons been in effect, in my opinion the problems we now face across Canada would not have occurred, as far as interprovincial marketing problems are concerned.
>
> Now as I understand it the national bill, Bill C-176, will be introduced for third reading in the House of Commons in the very near future. I am advised by the office of the Minister of Agriculture of Canada that the bill has passed the Standing Committee on Agriculture stage, has been returned to the House and will be proceeded with.
>
> When it is passed it will provide the legislative authority at national level, but it must be complemented and supplemented by an exchange of power with the provinces. Here, Mr. Speaker, I wish to assert that I have assured the office of the federal Minister of Agriculture that we in Ontario will introduce the necessary amendments to our Farm Products Marketing Act to bring it in line with the national legislation, to provide for the reciprocal exchange of the necessary legislative powers.

That is the opinion of the Tory party of Ontario, Mr. Speaker, so they disagree with many members of the opposition in this House who have spoken on employment in agriculture. I have many things to say on the subject of regional economic expansion, but there is not time and I shall reserve my remarks on this subject for the budget debate.

There has been a great demand across this nation and in this House for an assessment of future policy on energy and national resources, although certain members obviously do not treat this as a very important subject. On May 26, the Standing Committee on National Resources and Public Works, through the government House leader submitted the following motion:

> That the Standing Committee on National Resources and Public Works be authorized to study the oil and gas industry in Canada with particular reference to the ecological implications of various modes of transporting the product; and that in the conduct of such a study, the committee be empowered to adjourn from place to place within Canada during the week beginning June 13, 1971, and during the adjournment of the House.

At three o'clock that very afternoon, Mr. Speaker, it was my understanding that we had agreement to go on with these oil and gas hearings and to continue them at a later date with organizations interested in the ecological effects this industry had on the environment. However, at a quarter to six I received word that there was opposition from the official opposition of the House of Commons. I might say—my statement will be backed up by the hon. member for Northwest Territories (Mr. Orange)—that on that afternoon we had a conversation with the hon. member for Calgary North (Mr. Woolliams).

• (8:10 p.m.)

An hon. Member: Shame!

Mr. Hopkins: At that time he said it would not be satisfactory to him because he was worried lest the young offenders bill came before the House that week.

Mr. Speaker: Order, please. It is my understanding that the hon. member's time has expired.

Mr. Ricard: He may continue, even if he is out of order.

Mr. Speaker: Order, please. The suggestion has been made that the hon. member should be allowed to continue because others have been granted extensions. That is entirely up to the House, but there should be unanimous consent. Is there unanimous consent?

Mr. Knowles (Winnipeg North Centre): For two minutes.

Mr. Ricard: Even though the hon. member has been out of order.

Mr. Speaker: The hon. member for Saint-Hyacinthe (Mr. Ricard) suggests that even though the hon. member is out of order he should be allowed to continue.

Mr. Hopkins: I thank Your Honour and hon. members for accommodating me. As I was saying, the hon. member for Calgary North said, in the presence of the hon. member for Northwest Territories, that he did not want the hearings to go on that particular week lest the young offenders bill should come before the House.

Mr. Speaker: Order, please. I must say, on reflection, that the aside of the hon. member for St. Hyacinthe was perhaps to the point. The hon. member should take into account that we have a motion before us. This is not a general debate on the budget. It is not a throne speech debate. Hon. members cannot roam all over the field and air, at this time, all their grievances in respect of hon. members on the other side of the House, the government or anyone else. If the hon. member is to be allowed to continue his remarks beyond the time allotted to him, he should adhere to the rules and limit his remarks to the matter before the House, namely, the motion of the hon. member for South Western Nova (Mr. Comeau).

I did not think the remarks of the hon. member would produce the result they did. I will now recognize the hon. member for Winnipeg North (Mr. Orlikow).

Mr. David Orlikow (Winnipeg North): Mr. Speaker, as I listened to the Minister of Manpower and Immigration (Mr. Lang)—

Mr. Hopkins: Mr. Speaker—

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Hopkins: Mr. Speaker, I was going to say that in my opinion the gas and oil pipeline industry and the natural resource industries are important employment factors. They are important to employment not only today but in the future. In that way I wanted to relate the matter to this debate. The question of employment is one not only of temporary but of long-term importance. It is a very serious question at this stage. It is a question in which all hon. members of the House are interested. It was in this light that I wanted to put my remarks on record. I apologize to you, Mr. Speaker, if I did not make myself understood.

Mr. Speaker: The hon. member does not have to apologize to me. I appreciate the point he was trying to make. I suggested that the hon. member could conclude his

remarks with the unanimous consent of the House. I assumed, having in mind the comment made a moment ago, that the hon. member for Renfrew North (Mr. Hopkins) had come to the conclusion of his remarks and that is why I called on the hon. member for Winnipeg North.

Mr. Orlikow: Mr. Speaker, when I listened to the Minister of Manpower and Immigration (Mr. Lang) extolling this afternoon the good conditions which exist in this country, I wondered in what never-never land he has been living. It is obvious, in light of the heaviest unemployment this country has seen for more than ten years, that when the minister asserts this country is doing well, he is simply ignoring the facts. I feel rather sorry for the minister and cannot help remembering that he is one of those members who, among several others, was elected by a small plurality of votes in the last election.

I hope that he has simply taken leave of absence from his former position as dean of the law school of the University of Saskatchewan because I feel, in view of the government's inability to deal with unemployment and the problems of western farmers, that when the next election takes place the minister will be back in Saskatchewan, hopefully as dean of the faculty of law at the University of Saskatchewan.

In April of this year, the last month for which we have figures, 659,000 people were unemployed, compared with 544,000 during the same month in 1970. That represents 6.7 per cent of the labour force calculated on a seasonally adjusted basis, and 7.8 per cent calculated in actual terms. In April, 1971, unemployment in the Maritimes rose to 75,000 from 66,000 in April, 1970. In Quebec, unemployment rose to 234,000, compared with 203,000 in April, 1970.

An hon. Member: Somebody else has used the same figures.

Mr. Orlikow: I hear an hon. member interjecting that another hon. member used the same figures. I would think that a party with the heavy representation from the province of Quebec which the government party enjoys would be very concerned about there being so much unemployment in Quebec in April, 1971. In Ontario, unemployment rose from 145,000 in April, 1970, to 205,000 in April of this year. In British Columbia, unemployment rose from 58,000 in April of last year to 72,000 in April of this year. In the Prairie provinces it rose fractionally, from 72,000 in April, 1970, to 73,000 in April of this year.

The motion before the House speaks of the deep concern of Canadians that the government's policies are failing to give young Canadians the opportunity to get jobs. If one looks at the statistics in the labour force survey from which I have quoted, one will see that the unemployment situation in respect of young people is desperate. One can see how much more acute the worsening economic outlook has made the problem faced by Canada's young people.

The figures show that in April, 1971, 130,000 people between the ages of 14 and 19 were unemployed, compared with 111,000 in April of the previous year. In April, 1971, 151,000 young people between the ages of 20 and 24 were unemployed, compared with 113,000 in April the year before. Is it any wonder that the people of Canada are incensed? Is it any wonder that a traditionally Liberal constituency like Brant went over to the NDP in the by-election held on Monday of this week? Is it any wonder that the constituency of Trois-Rivières was saved by a hair from going Social Credit in another by-election held last Monday?

The problem of employment for our young people will get much worse before it gets better. Dr. W. R. Dymond, an economist at the University of Ottawa and a former deputy minister in the Department of Manpower and Immigration, has put together an easily verifiable set of figures which make it clear that unemployment will not normalize as the economy revives. According to an article which I have in my hand, he said:

> In particular, youth unemployment seems fated to be a continuing problem unless direct and concrete policies to combat it are pursued.

He brings forward immense and interesting statistics.

> Between 1960 and 1970, Canada has experienced an 11 per cent increase in unemployment over all age groups. But the age group 14 to 19 years has experienced a 43 per cent increase in unemployment; for 20-24 year olds, the comparable increase is 49 per cent.

Dr. Dymond points out, as reported in the article:

> In 1960, 1,400,000 Canadian workers were between the ages of 14 and 24. By 1970, that number had risen to more than 2,000,000.

• (8:20 p.m.)

> Not only are there more young Canadians looking for work, there are more better-educated young Canadians looking for work. The combined rate of increase of post-secondary graduations—that means including community colleges and technical schools—has been of the order of 450 per cent.
>
> In addition to this, Dymond points out that the increase in professional and technical immigrants has been about 360 per cent over the decade.

We know the plight of students who need to work this summer if they are to return to school, university or community college next fall. We know that a large percentage of the close to one million who will look for jobs will not find a job or will get one for half or less than that of the time they have off between school terms. We know the tragedies being created every day by the failure of the government to firm-up its plans for student employment this summer until a time just over a month ago, so that many who were counting on government programs still do not know today, June 3, whether the projects from which they hope to get work will be approved. That is a disgrace. The delay in planning and decision-making by the government can only be characterized as criminal.

We have to face an even more serious problem. University graduates looking for permanent work are having difficulties which we have not had in this country since the hungry 1930s. The president of the Chemical Institute of Canada reported last week that over 50 per cent of the graduate engineers completing their courses this year have so far been unable to find work. Dr. Dymond dealt

with the problem of university graduates in the speech to which I referred a few moments ago. He pointed out that this is one of the most serious problems facing the country. It is not only a problem of students but graduates of universities and community colleges who are looking for permanent work. Dr. Dymond said:

> The overwhelming governmental emphasis on—forestalling summer student unemployment—to the almost complete exclusion of the more fundamental problem of unemployment among graduates, means that the problem has either fallen through the cracks of federal provincial jurisdiction, or that the ordering of governmental priorities is seriously distorted.

This is not the opinion of a person who can be simply dismissed as not knowing what he is talking about, nor is it the opinion of a partisan politician. It is the opinion of a former assistant deputy minister in charge of manpower programs for the federal government. Dr. Dymond further pointed out:

> —the "combined rate of increase of post-secondary graduations —that is, graduates of universities and community colleges— has been of the order of 448 per cent. ... Employment of this group has increased ... about 200 per cent over the decade." ...
>
> In other words, barring a miracle of sorts, there is no way that all our young graduates are going to find jobs in the near future ...
>
> —Dymond says that the university graduating class of 1971 is about 75,000, some 7 per cent more than graduated in 1970.

Dr. Dymond pointed out that the community colleges have increased their graduating classes by about 15 per cent over last year. It is virtually impossible for these people to find jobs. I have come across a number of cases in my own city of Winnipeg—I am sure I am not alone in this experience—of people graduating from universities and returning to community colleges for further education. Why? Because there is no work and because the community college will, hopefully, give them a more specifically directed kind of training than they have had. What a perversion of the original objectives of a community college, for some who has received university and postgraduate training, the most expensive training in education by the most qualified people in this country, to return to the community college for further education because they cannot get work! It is a disaster and a disgrace. As I said a few moments ago, it is a crime against the young people of this country.

No country in the western industrial world has the rate of unemployment which we have in Canada. In Great Britain, the rate of unemployment a couple of weeks ago was just over 3 per cent. We know that in the local elections and by-elections which took place in Great Britain last week the British people demonstrated very clearly, by overwhelming victories for the Labour opposition party, that they would not stand for 3 per cent unemployment. I say to the government that the people of Canada will not stand for 7.8 per cent unemployment which we had in April of this year.

The government brought about this high rate of unemployment because of its fear of inflation. This afternoon we listened to the speech of the Minister of Manpower and Immigration. He dealt with the dangers of inflation. The government's policies of restraint kept the cost of living increase to less than 2 per cent last year. As we predicted at that time, and as the economists are now telling the Senate Committee on Finance every day, no country can avoid what is a world wide phenomenon, namely, worldwide inflation. In the first four months of 1971 there was an increase in the cost of living in Canada of 1.8 per cent. If calculated for the year 1971, that is an increase of 5.4 per cent in one year. Moreover, there is no indication that the rate of increase in the cost of living is slowing up.

This year we have the worst of both possible worlds, high unemployment and high inflation. Economist after economist appearing before the Senate Committee on Finance has been condemning government policies. Professor Barber, head of the department of economics at the University of Manitoba, in testimony which he gave a few days ago told the Senate committee that last year we lost about $8 billion in production because we were operating with over 6 per cent unemployment for the whole year. I do not know Professor Barber's politics, but he cannot be very anti-government because the government appointed him to head the commission to study the high cost of farm implements.

What can be done? I say to the members of the government that they ought to make full employment the No. 1 priority in Canada for 1971, not full employment two, three or five years from now. A full employment program can be financed by genuine tax reforms. Members who wonder where the money will come from should look at the speech made yesterday by the hon. member for Duvernay (Mr. Kierans), former Minister of Communications, when speaking to the Canadian Economics Association. This speech was reprinted in full today in the Montreal *Star*. They will see that in 1968, the last year for which figures are available, according to the calculations of the hon. member for Duvernay the metal mining companies in this country made a book profit of $1,707 million though their taxable income amounted only to $222 million. In other words, they were taxed on only 13 per cent of their profits. Other mining companies showed a book profit of $374 million but their taxable income was assessed at only $120 million. They were taxed on 32 per cent of their profits.

• (8:30 p.m.)

The manufacturing industry paid tax on 64 per cent of its book profits, and the retail trade paid tax at the rate of 90 per cent of its book profits. The money is there so we ought not to hear the story that we cannot afford to do the things which are required in order to create full employment. We need to reform the tax system, but I do not have much hope that the Minister of Finance (Mr. Benson) will propose to do so when he brings forward his budget this month. We need to make those who can afford to do so pay for what is required in this country, the mining industry, the oil industry and the gas corporations which, as I pointed out, do not pay their fair share of taxation.

We ought to pump money into the economy, not by adopting Social Credit theory which the Minister of Manpower and Immigration suggested we were advocating but by increasing the income tax exemption to $2,000 for

a single person and $4,000 for a married couple. We should pump money into the economy by increasing old age pensions. The 42 cents-a-month boys opposite are worse than the six bucks Liberals of 1957—and we all know what happened to them. The government should accelerate the programs of public housing and aid municipalities to carry out long overdue projects such as putting sewage disposal plants into proper order; it should aid the provinces to fight pollution.

I wish to close by suggesting what the government should do to help graduates from universities and community colleges who are unable to find the employment for which they have been trained. At the present time we are leaving this problem almost entirely to private enterprise and it may be two or three years before some of these highly qualified graduates are able to find work.

Mr. Speaker: Order. I understand that the hon. member's time has expired.

Mr. Orlikow: May I have one more moment, Mr. Speaker?

Mr. Speaker: The hon. member is seeking leave to continue for one more moment.

Mr. Orlikow: I believe the government should consider taking steps to subsidize the employment of university graduates until they can be absorbed into the economic life of Canada in the regular way. In other words, the government might pay a subsidy to private companies which could not see their way clear to hire the graduates who are now ready. The other suggestion is that the government give consideration to extending tax concessions, not to enable companies to acquire more equipment, as we are now doing, but to take on students for a transitional period, probably a year or two, until they can find the work for which they have been trained at great expense to the people of Canada.

Mr. Jack Murta (Lisgar): In speaking on this motion, Mr. Speaker, criticizing the government for allowing the unemployment of our youth to reach such high proportions, I want to put special emphasis on the situation which exists in the Prairie provinces. Although the problem of the unemployment of our youth is nationwide, it has some peculiarities pertaining to the Prairie provinces which I think deserve mention. The situation in the prairie provinces in this connection can only be described as very serious. This summer, the unemployment of students only complicates the difficulties which students from western Canada have been facing for the last five years.

The prairie region is in a state of transition. The poor economic situation has not only been disastrous for the farmer but also for farm-related industries. The effect of this drastic loss of prairie farm income has multiplied, leaving the whole western economy in a state of depression. The demoralizing effect of this situation on the youth of western Canada is obvious. Permanent jobs are hard enough to find, but the opportunity to obtain summer employment, which is vital to so many students if they are to continue their education, is for many non-existent.

Graduates from our universities are unable to find work locally so they must seek it elsewhere. The brain drain which results from this lack of opportunity will seriously hinder the development of the west and of the north. Our highly trained technicians and engineers, our doctors and lawyers, our agricultural and mining experts are forced to leave. The people who are so necessary to the development of the west must have some inducement if they are to remain.

Students wishing to attend universities from the rural parts of the western provinces are faced with very serious problems. All institutions of higher learning are situated in the cities. When a rural student commences university training he is faced with the higher costs of city living. This puts him at a disadvantage compared with the city student who is able to live relatively cheaply with his parents. On-campus living accommodation is usually very limited and for the student who cannot afford to meet such costs there are very few alternatives. Invariably, accommodation which is within reasonable reach of the university is at a premium. Rents are high and there is often a certain amount of unfair discrimination practised by landlords against students. Because of the large numbers of students needing places to live near the university, there is an extreme shortage of suitable accommodation. Students who do not have sufficient financial resources are forced to find accommodation a long way from the campus.

In addition to the practical difficulties facing students there is the problem of adjustment. For the young person who has never experienced city life, to be thrust into an urban environment with no transitional period often leads to disaster. This factor alone accounts for the higher percentage rate of failures among first-year rural students in universities when compared with those from the cities.

The rural student has always been at a disadvantage, but the disadvantages are even greater in a year when their fathers who are farmers can ill-afford to help finance their education. The annual cost for a rural student attending university is at least $2,500. Even with full government bursaries and student loans it is very difficult for the rural student to obtain this sum. Government-founded and financed universities are supposed to be universally accessible in this country. This may be true in theory, Mr. Speaker, but it is certainly not true in fact. Money is the determining factor and, as is usually the case, the student is at a disadvantage. Because of this disadvantage the rural student must earn and save more money than the city student.

• (8:40 p.m.)

In this respect the rural student is also at a disadvantage. Summer jobs for students in the rural parts of the Prairies are simply non-existent. The rural student must seek his summer job in the city or in the northern mining communities. Once again he loses the advantage of living at home. If a student has a four-month summer job he will spend $500 or more of his earnings for board and

room. On top of this the northern mines have cut back on student hiring.

Jobs in the cities for rural students are, as I have already mentioned, at a premium. One must come to the conclusion that there is indeed a crisis for the rural student this year if he wants to further his education. Many will have to drop out and some will undoubtedly join the ranks of the permanently unemployed. Once a student has dropped out, he often finds it quite difficult to get back into the university system.

To meet this serious situation the government has made an ill-fated attempt to provide summer jobs for students. The program must be judged a failure because it has not met the basic need of a summer student, which is to make money. Under the Opportunities for Youth program the per capita grant seems to average out well below $1,000. For the rural student who is lucky enough to be a participant, this is a grossly inadequate sum. If the student is able to take advantage of home living this figure might be reasonable, but as one can see by the Secretary of State's releases the vast majority of grants have been to students in urban areas.

The Secretary of State (Mr. Pelletier) might reply that he has received few applications from rural communities, but I submit that this is the fault of the government rather than of the community. I know of one instance in my home constituency where Manpower did not have the information available for local organizers until four days before the submission deadline. Even at this late date the Manpower officer could not give any specific details. Several rural groups have not yet been notified whether or not their project has been accepted.

Officials of the Opportunities for Youth program have declined to make a province by province breakdown of the funds allotted. Last week in the *Globe and Mail* one spokesman was quoted as saying that such a breakdown could create unnecessary charges of favouritism, especially in the prairie and Atlantic regions, and he indicated that there were logical reasons for the breakdown. It seems to me that these officials should be made to account for the division of the money spent. Prairie students have just as high, if not higher, a level of unemployment as the rest of the country.

There are drastic faults in the Opportunities for Youth program. The program was announced shortly before the commencement of the spring examinations and the students who were deeply involved in study had little time for detailed development of a program to meet approval. The desired criterion needed for approval of a project was not made known. The Manpower officers were not given the information needed to answer local inquiries. Of course, in Ottawa the office seemed to be under total disorganization. Letters of inquiry went unanswered, officials could not be reached and the telephone often remained unanswered.

However, this government's announcement saved them from a temporary crisis. It put up an illusion of concern and action. Surely another crisis will come in September when thousands of university students find they do not have the cash needed to return to school. The government should prepare for this situation now. We cannot afford to deny this opportunity to our youth to further their education simply because of the government's lack of foresight and imagination.

I have a number of suggestions as to where the federal government might begin. In the first place, the government must take seriously the problems of student unemployment and of aid for financing education. They cannot ignore or shrink from this problem or shrug it off as a provincial responsibility; the federal government must become involved. If in the future the government is going to organize a program such as this year's Opportunities for Youth, the program should be designed to meet certain objectives. The first objective should be to provide the participant with an opportunity to earn enough cash to help finance his education rather than just to provide summer spending money.

The program should aim at being productive in nature. Projects are simply a waste of money if the participant is not doing something useful or if he is not making some contribution to society. Of course, this type of government employment can only be created with long-range planning and a good deal of organization.

The Canada Student Loans Act needs revamping. This act which makes interest-free loans available to students was enacted in 1964-65. Since then the cost of living has increased 30 to 35 per cent and tuition fees have risen correspondingly. It is time for the government to re-examine the $1,000 yearly maximum a student can obtain under the plan. Perhaps it should consider raising the yearly maximum to $1,500 or $2,000 and its total aggregate to $7,500, instead of the present $1,000 and $5,000 levels. It is also time for the federal government to lay down more equitable guidelines for the distribution of these funds. Presently a means test is employed and, as is the case with most means tests, it is greatly abused. Guidelines should be issued to the provinces each year on the administration of the plan. The loans should be graded and increased each year with allowances made to meet the increased cost of living.

The Americans have been experimenting with a new type of loan plan for students which makes allowances to compensate for poor summer jobs and increased costs. It is called the Pay as You Earn plan. This program is not as rigid as the Canada student loans plan and is presently administered in several universities in the United States. I am not advocating that the Canadian government adopt this kind of plan but it is certainly the type of plan that bears looking into.

The program is also unique in that it puts the onus on the student to pay for his own education rather than rely on various bursaries. The program makes available all the money needed for the student to continue his education. Repayment is financed by what might be described as a long-term mortgage, the borrower paying a small percentage of his income for a period of 20 or 25 years, depending on how the plan is worked out. This repayment figure by the student who fulfils his obligation would compensate for those who are unable to pay because of disability or other reasons.

The Americans have found this program very successful because of its flexibility. It would require government administration because of the great initial cash outlay required, but it would be self-paying and could even be profit-making. It is at least worth investigating. I am sure that students would not object to a better-implemented student loans plan. Students do not mind taking out loans if they have an opportunity to repay them. Most students are responsible and will not default on their obligations, but new needs must be met by new loan flexibility. It is to be noted that such a plan in the long run could take the pressure off the taxpayer. More importantly, however, this program would provide the extra funds needed in years of great student unemployment such as this, with the increasing cost of living and other expenses.

• (8:50 p.m.)

We must also, Mr. Speaker, consider the plight of the university graduate in this country. The great increase in enrolment in postgraduate schools is proof of the feeling among graduates that their time is better spent trying to further their education than trying to find permanent jobs. It is estimated by the Technical Service Council that professional openings are down 30 per cent nationally, with a 17 per cent increase in those seeking jobs.

The Atlantic provinces, followed by the Prairies, have the greatest reduction in job openings. To blame this situation on an increase in the number of graduates is ridiculous. The present situation can only discourage those with aspirations to attend university. A developing nation such as Canada cannot afford to discourage its young people in furthering their education. This situation must fall back on the tragic economic position in which the federal government has placed our young people this summer. The class of '71 must be questioning the value of education. For the past two decades a tremendous emphasis has been put on education. Our young people were told that a degree would guarantee them a worth while career and a higher standard of living. Whether or not this is true, it is what they have been told. Now many graduates will tell you that a degree is worthless.

In the last decade the number of graduates has greatly increased. For example, in education and engineering, doctorate degrees have increased by 1,014 per cent and 895 per cent respectively. Those with a doctorate degree face an unemployment problem just as serious as that of anyone else. The plight of the graduate student must be attributed to the slump in our economy. Industry will not hire and train young personnel in the present economic situation. The solution for the graduate is the same as the solution for all unemployed in this country. Our economy must be stimulated and expansion and industrial growth must be encouraged. Until this happens, our educated young will be denied an opportunity to use their newly acquired skills.

So far as the student who is still attending university is concerned, his problem will only be solved with long-range government planning and programs. Government aid must be more flexible to take into account regional disparities and the disadvantages of the rural student. In short, we must strive to make a university education universally accessible. The standard of living and quality of life in a country is directly related to the educational opportunities the country offers its young people. If we fail to provide these opportunities we will surely hinder the development of our industry, our economy and our Canadian culture.

Mr. Norman A. Cafik (Ontario): Mr. Speaker, the motion before us states that this House records its deep concern upon reviewing the government's continuing repudiation of its duty to establish full employment programs, then it goes on to talk about young Canadians. In the first instance I should like to talk about the word "repudiation". So far as I know, the word means to disown, reject or refuse to admit. In my view, the government certainly has not refused to admit it has any responsibility or duty in connection with creating employment in this country. One might, depending on his political position, I suppose, and his personal view feel that the government has not done enough in terms of creating employment in Canada. I should like to speak to that for a moment and review some of the problems, because I do not think most of them are capable of simple solution as many would have us believe.

This is a big problem. As a responsible government we must begin to look at the problem in its proper context to see the long-run effect of the actions we will take. First of all, when we look at the large influx of new people into our labour force we realize the magnitude of the problem. It is reported in a 15-year projection from 1967 to 1982 that Canada will introduce more young people into its labour force than the total number in Italy, Germany and the United Kingdom. When we bear in mind that the population of these three countries is 180 million people and the population of Canada is 22 million, we realize that we are going to inject into our small labour force more in that period than these three countries combined; we see that we are inheriting a problem which is of enormous proportions which will be difficult to deal with if we only look at that aspect alone.

It seems to me we are reaping a problem resulting from the fact that past governments did not plan in a long-term way for solutions to the problems of our generation.

I am happy to say that I am convinced this government is looking at our long-range problems. It is high time some government did. We began to look at the over-all economic position, at our trade policies and our industries in an effort to find ways of rationalizing them. We began to look at the way our people are being trained and provided with the education necessary to fit them into the work force, and in the meantime we have provided our young people with activities to keep them busy. For instance, this year we are spending $68 million in this area alone. We have slowly begun to solve these long-term difficulties which I defy anyone to solve by some quick, mystical, magical solution. On the other hand, there is the rapid rate of technological change not only in Canada but in the world. We are not unique in this respect. Our country, however, more than many others has had an agrarian economy for many years and we now see a

great influx of people from the farms into the urban areas, which places more and more pressure on the industrial side of the work force.

I think we must remember that the Second World War is over and that today we see the results of the baby boom. I do not complain of this but I do not think we looked at the question early enough in an effort to find a solution.

An hon. Member: Who didn't?

Mr. Cafik: The governments which came before us. One cannot really expect this government to be able to find instant solutions to these difficult and complex problems. I do not think we serve the interests of ourselves, this institution or the people of the country when we suggest there are simplistic solutions when there are not. We are indeed living in a very challenging period. We have to consider basic problems such as foreign investment in this country, whether this is good or bad and to what extent it is good or bad. We must rationalize our industrial complex and, if I may digress for a moment, I think the Department of Industry, Trade and Commerce through its many programs is doing a great deal to achieve that objective.

• (9:00 p.m.)

Under this government we instituted the auto pact. I believe no one can really doubt that this agreement has been a great economic step forward. I think we must take similar action in other areas and then, hopefully, we will in part find long-term solutions to the difficulties we face. Ad hoc solutions are not really the answer; they will not give us something of real, lasting value. But that does not mean that in the long run we can just sit and look at the unemployment rate as it is in Canada today. We must not do that if we are to fulfil our responsibility as a government in this country. Because of the tremendous psychological effects of unemployment, in human terms, we must none the less take ad hoc measures that will give us some immediate, if only temporary relief until we have determined the root causes and arrived at root solutions to these problems.

Mr. Gilbert: Give us some ad hoc solutions.

Mr. Cafik: I intend to do just that. I do not think it is good enough for us to increase welfare benefits or to increase unemployment insurance payments. These are good and necessary in these times, but I think we must do the only thing that will give dignity to the people who are unemployed, and that is to give them work. We must also arrange our priorities in such a way that this becomes the first order of business for this government in the immediate future.

Some hon. Members: Hear, hear!

Mr. Gilbert: Now you are talking. Sock it to them.

Mr. Cafik: It seems to me that if 6 per cent of this country's territory were invaded by a foreign power, we would bring all our resources together in order to bring that land back to this country and the kind of effort that is put forward in wartime would be repeated. Why should we not think that 6 per cent of our population who are unemployed are an equally serious problem, requiring the same kind of urgent solution? I have some suggestions as to what may be done. I realize that I am not an economist. I am simply one who is concerned with the serious and urgent problem that we are discussing tonight.

First of all, we must continue the present course of deficit financing whereby we are putting more money in the economy than we are taking out of it in order to stimulate it. But I do not think that is enough, because we have been doing that for some months and in my simple view it does not seem to be reaping the kind of immediate benefits that many of us had hoped for.

Secondly, we have to assist this course of action by having some meaningful tax cuts in our next budget. In this way we would further stimulate the economy of this country and assist through the private sector those measures which we are taking in terms of government expenditures.

Thirdly, I think we must take steps to end business uncertainty and to give the business community a degree of confidence which I think some of them have lacked in the last year or two as a result, to some degree, of the experiment that we conducted in participatory democracy involving the white paper on tax reform. I think that this government was very courageous in embarking on this novel approach to tax reform. I am hopeful that in the long run the approach that we have used will bear the kind of fruit we hoped from having a good tax reform. But it has had an unpleasant by-product, to some extent at least, in that it has disturbed many very productive people in our economy who are in a position to make the economy go forward or go backward, and it has given them a feeling of no confidence.

I think that in our next budget, when we introduce the bill on tax reform we should settle that problem once and for all. But of course it depends to a large extent on what is in the bill and I hope the minister will bear these factors in mind when the budget is presented, as I am sure he will.

Mr. Gilbert: You are making sense.

Mr. Cafik: We must recognize that we as a government do not control our economy completely.

Some hon. Members: Hear, hear!

Mr. Cafik: First of all, in international terms we are a neighbour of the United States and what they do largely affects us. Even domestically we cannot really supply impetus to our economy unless we have the co-operation and the help of the private sector without which we cannot possibly solve any economic difficulties. So I think it is important that we make clear to the small businesses and the industrial giants in this country that we not only want them and need them but that we solicit their help in this important task.

I am going to make two suggestions, both of which involve the Department of Industry, Trade and Com-

merce. First, if we are going to create a condition of confidence in our business community we should set up an industrial development co-ordination and consultation branch. The reason for this is that the Department of Industry, Trade and Commerce has many programs to help finance and assist business, but largely they are not well known or understood and many of our small businesses which can do something positive frankly do not have the expertise, the legal help or other assistance required to know even where to go. I believe that we should set up one central body to whom all businesses could go to obtain aid from the government to help them develop their industry domestically and externally. If we set up such a co-ordinating body I think it would serve a very useful purpose and at the same time show we wish to help them.

I also want to suggest that as an ad hoc, short-run and, I believe, effective measure we should set up an Employment Stimulation Fund. I am not an economist but I would propose that it be financed by $200 million cash, with about $800 million in guaranteed loan capital. The object would be to give grants and/or loans directly to the business community in direct relationship to the number of useful jobs they can create.

Mr. Gilbert: This sounds like welfare.

Mr. Cafik: I believe that if we were to encourage small businesses in this manner to hire 10 here and 20 in another place, and this were repeated by thousands of businesses across Canada, very rapidly many of the 650,000 people who are unemployed in this country would be put to work. If implemented this would have an immediate effect. In my view, the kind of action I have suggested would help create a state of confidence and security in the people of this country and a realization that we are doing everything in our power to make this country move ahead. But even more important we will assure ourselves that the kind of free system which we all cherish will survive to serve future generations. I am concerned that if we cannot solve this central problem of unemployment, then this country and our institutions are in for a bad time indeed.

Some hon. Members: Hear, hear!

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I listened with interest to the previous speaker. I will not deal with economic problems except to say that about a year and a half ago steps were taken by the government to dampen the inflationary process. The increased taxes that slowed down the economy had a tremendous effect in designated areas, destroying the impact of industrial incentives. The unpleasant truth is that the economy is at a standstill. An increase of 200,000 in the number of unemployed in 1970 cost the economy of the country $2 billion. Profits are down; and, Mr. Speaker, if taxes are not reduced and employment does not increase over the next three months, the outlook is grim indeed.

• (9:10 p.m.)

Now I wish to deal with a special problem, the employment of university students. Three years ago the universities of this country were running at a cost of over $600 million and there were over 300,000 full-time, winter university students. These figures do not take into account the investment in buildings and equipment which runs into billions of dollars. Many university buildings are used only eight months of the year, which is two-thirds of the time. They then stand idle for the remaining one-third of the year, wasting the dollars that are invested in them.

The total cost of education today in Canada runs around 10 per cent of the gross national product. Can we afford the non-utilization of these buildings for one-third of the year? Would it not be much better to pick out the professions where there is a scarcity of trained men and keep the students at school, instead of letting the buildings and equipment stand idle while the students walk the roads?

I will choose the profession about which I probably know the most, the medical profession. There are just over 20,000 doctors in Canada and just over 10,000 of them are general practitioners. Figure it any way you like, we have the worst ratio of any of the countries of the world with our standard of living. The Russians have one doctor to every 500 people, yet Russia is supposed to be backward. Even the United States, our neighbour to the south, has a much better record.

Over and over again the scarcity of doctors and the difficulty people have, if they move from one place to another, to get a doctor to look after them has been brought to the attention of the government. Their only hope is the emergency ward of the hospitals which, generally speaking, are grossly overworked. In the hospitals which have no interns, the doctors must supply someone from the practising doctors. In one small hospital alone they had over 1,800 emergency cases in a relatively slow month. I have heard estimates of how short we are in this field—probably 15 per cent to 20 per cent in the general practice field. Most of the hospitals have no interns yet, Mr. Speaker, 40 years ago hospitals of similar size had two to four interns. Is this progress?

What is happening now is that doctors in many hospitals are overloaded with histories, forms and bureaucratic control. Much of the work could be done by house doctors and interns and so relieve the workload of the doctors. Partially trained paramedical personnel is not the answer. The Feldsher system in Russia, after many years is gradually being phased out because of too many wrong diagnoses and too many referrals. The same thing would happen in this country. The doctor's workload could be cut probably by 20 per cent if red tape, forms and bureaucracy in hospitals did not take up so much of his time. There should be interns in hospitals where they have sufficient patients. But to get the interns they must have doctors, and to get the doctors there there must be medical students and medical schools.

I have asked the federal government to co-operate with the universities, to provide the funds to finance the four months that the medical schools stand idle. In this way a doctor could have the same training in four years that now requires six years. But the government did not move. It turned a deaf ear to the people who cannot get

adequate medical attention. Even the Minister of National Health and Welfare (Mr. Munro) acknowledged this. He stated his fears at a meeting of the Canadian Hospital Association as follows:

> While the inadequacies in the distribution and delivery of health services must be removed, we must not in achieving this goal create a two-class medical system.
>
> The variations in availability of health services between the disadvantaged and the affluent in our society must not be perpetuated by making paramedical support available to the lower economic sectors in our population in order that physical specialists may more readily devote their attention to those more fortunate. We must assure that all health care arrangements live up to the expectations of all the sectors of our society.

I agree with the minister 100 per cent. The only thing I wonder is why year after year he promised some action and we had none. He went on to say that we could train some paramedicals who could put in a few sutures, look after simple fractures, colds and flu, which would free 50 per cent of the physician's time. I am reminded of the story of a doctor travelling on an airplane. The fellow next to him asked the doctor what he thought about paramedical personnel and the doctor replied, "I will tell you. I want a fully trained pilot to run this airplane. I don't want the hostess running it. But if I have to take the hostess in his place, then I certainly don't want a committee running it, and that committee would be the government."

There are 5,000 students today in our medical schools. They are all needed. Doctors are in very short supply because community after community is going without a doctor. Yet because of the laissez faire attitude of this government, which brought in medicare, it now refuses to co-operate in providing the medical doctors that are so necessary. Yet members of the government promised quality of care. Now they even talk about deterrent fees. Who will this deter? It will be only the poor, for whom medicare was supposedly brought in to help. Isn't that going around in a circle?

It is a disgrace to keep doctors in short supply and then criticize the service they deliver. This is something that can be cured. McMaster University and Calgary University have three-year courses. They are running all summer. They are doing this with scholarships, bursaries and by other means. Having forced medicare on the provinces, why doesn't the federal government accept responsibility for providing the needed doctors? Here it is, the month of June, and only two medical schools turning out doctors who are admittedly in short supply.

It is seven years since the Hall commission pointed out the increasing need for doctors. We on this side of the House have asked the minister to operate the medical schools all year round until we catch up. Year after year the minister has promised to take this matter up with his counterparts in the provinces, but there the matter stands to date. I have only raised this problem dealing with one of the professions, Mr. Speaker, but I know there are many other problems.

[*Translation*]

Mr. Henry Latulippe (Compton): Mr. Speaker, I am pleased with this opportunity to say a few words on this opposition motion which urges the government to balance the economy adequately but fails to advocate solutions to the problem.

We are faced with a catastrophic economic situation, and we have been trying to settle this issue for several years. Nobody ever manged to tackle it, except through bloody wars and revolutions. When 50 to 60 per cent of the population are destroying everything in sight, the others can work. Others can be put to work. But when there is no such thing, it is impossible to balance the economy and nobody, not even the greatest economists, the greatest exponents of the system, those who find that everything is well, who are very well paid, have everything they need and are not faced with economic problems, nobody can find an adequate solution. These economists should be independent and their solutions are hardly worth being adopted or considered, since they do submit such solutions year after year and the situation is going from bad to worse.

Our economy is being gradually upset, our population is dissatisfied and misery is growing worse. Young people are finding it harder every day to find jobs. The more we produce economists and technicians the more our economy is thrown out of balance.

We are certainly not running short of engineers, technicians, economists, nor of Conservatives, Liberals or New Democrats. For years, we have had all these types of people bent on solving this problem but none ever succeeded. On the contrary, it is getting worse than ever.

If we want to solve our present economic problem, we shall have to resort to the same solutions that have been previously brought forward when we tried to solve the economic problem. To do so, governments must resort to deficit financing. Investments must be made through loans. A lot of deficits have to be accumulated to allow the citizens to live a little, or to achieve a kind of economic upsurge, and after going into debt for two, three or four years and creating an economic upsurge of sorts, we are forced to intervene. Financiers come to governments and say: For the last four or five years, you have had deficit budgets but if you are unable to balance the economy or your budgets, you are not good trustees. We will finance the grits if the tories are in power and vice versa, but it all means: Solve the problem. The grits will make people believe that the former administration was bad, that it had accumulated deficits at all levels and that there must be an end to that. In short, that budgets have to be balanced.

• (9:20 p.m.)

So the next government, in order to balance its budget, will increase taxes and create trouble for the population. Within two years, the people will again be steeped in unemployment and an economic slump. They will no longer be able to make investments because of all kinds of restrictions.

In order to balance the budget, the government will bow to all the demands of high finance, permitting it to control the nation's economic blood at will. The government will thus plunge the whole country or the whole

world into depression, since the economic system is the same throughout the world.

Mr. Speaker, not one government went out of its way to seek real solutions to the problem, because like causes produce like effects. We have always acted like that and we never succeeded in solving the problem.

The Conservative members blame the government through all sorts of means, but they do not propose any practical solution other than asking the government to show losses, to present deficit budgets in order to enable Canadian citizens to live decently.

The New Democratic Party and the Progressive Conservatives request full employment. In order to obtain full employment, it is necessary to invest money and to invest, it is necessary to borrow money. When a man borrows money he gets into unimaginable debts, for he simply cannot refund more money than he gets in the first place. If we borrow money, we have to repay it, plus the interests which have never been put into circulation—something nobody ever thinks about!

Mr. Speaker, there are interest rates of 9, 10, 15 and even 25 per cent. They are of no concern, they please everyone, and even the NDP is happy with them. They are not considered excessive.

But when financiers go up the financial scale, banks and financial institutions make unbelievable profits. They increase their assets by billions of dollars each time. Unfortunately, they do not pay the taxes they should. Unfortunately, they build up alarming reserves that paralyse the Canadian economy, that paralyse the financial situation of every citizen. Not one Conservative, Liberal or NDP member makes a protest. No one asks that those who do not pay taxes be made to do so. There are two or three tax schedules. There should be only one and everyone should be taxed equitably. If we did this, we would introduce a bit of logic into the settlement of our problems.

When I look at newspaper headlines, I realize that there are 9,000 more unemployed in Canada, which is the greatest increase in unemployment in 13 years. In the field of unemployment, Quebec remains at the top; it had 23,000 more unemployed in 1970. Here is the type of headlines one can read in the newspapers: "Quebec is said to be satisfied with the number of unemployed", "17,000 Montrealers laid off in 1970", "Only 10,000 new jobs created in Quebec in 1970","75,000 new jobs per year must be created in Quebec from now till 1975", "250 employees laid off at Lachute", "Closing down of another plant in Ville St. Laurent".

Mr. Speaker, a while ago I could hear a Liberal member say that the government should establish a type of financial agency to finance industry. But industry needs neither the Liberals nor the Conservatives to lend it money. What industry requires is a means to profitably market its products. If industry finds an outlet for its production, it does not need the help of the government.

On the other hand, if industry does not succeed in selling its products it has to store them in warehouses and call on financial firms with the famous form 88 authorizing loans to industrialists or the financing of industries' stocks or inventories at an interest rate of 12 p. 100.

This increases the cost of products and does not help to sell them. Every warehouse is filled to the rafters and new loans are requested from banks to further boost production; yet the problem does not exist at the production level but in distribution.

Instead of taxing or overtaxing the consumer, he should have more money to spend. Then governments will not need to worry about the operation of industries. Industries are operating as long as consumers have some ready money to buy the products.

If the production of industries is increased but remains unsold, what will happen? At the present time, many industries in Canada have received government grants. They operated during six months, a year or two with those grants, after which they were compelled to close down.

I know one in my constituency which received a $700,000 grant from the federal government. It operated six months, but it is now closed.

What was the use of those $700,000? The industry is unable to sell its products. Warehouses and yards are full of unsold products. Now, what will happen? What is the use of those grants? They are useless.

I would like once for all that we open our eyes and our ears in order to find solutions to the problem.

Solutions are easy to find and enumerate. The cost of living must be reduced, not raised. Products cost too much and do not sell well because there are too many taxes.

Taxes must be lowered, and if that is not enough, governments should issue credits to reduce production costs, give compensated discounts in overproducing sectors. If we cannot sell the products because they are too expensive in spite of discounts, then we shall lower the prices of goods and thus re-establish the true value of the Canadian dollar. Besides, we shall be able to compete with other countries. Otherwise, our products will no longer be competitive, considering our present economic system.

Wages and taxes keep going up. The higher the taxes the more problems there are, and the higher the cost of goods the less you can sell them. The higher the cost of goods, because of increases in salaries and taxes, the less money the taxpayer has to buy what he needs.

There are still needs to be met. But they cannot be met by restricting credit, by levying taxes, by accepting that our governments pay overly high interest rates to financiers who exploit the people. The people are fleeced for ever more, so that the interest can be paid to the financiers. But the people are sent packing!

They say here that we are on the brink of revolution. We know that is true.

One can read this in *La Voix de l'Est* for January 16, 1971, and I quote:

> In the last few years, it has been said and repeated hundreds, thousands of times that unemployment is the worst evil in Quebec.
>
> But saying it over and over again will not remedy the situation. Nobody cures an illness by proclaiming from the housetops

that he has it. Instead he looks for a medication likely to cure it. The Premier and the Minister of Labour seem alarmed by the crisis through which Quebec is going.

• (9:30 p.m.)

According to the latest figures, unemployment has reached 8.4 per cent, its highest rate since last fall.

Mr. Bourassa does not hide the fact that the number of unemployed has reached a really disturbing level, while Mr. Cournoyer does not hesitate to predict "a revolution" if unemployment keeps on increasing at that rate for a few years.

Mr. Bourassa stated that "Clearly one must not try to disguise the truth."

For a long time truth has been disguised and poultices put on wooden legs, and yet uneasiness continues, in fact it keeps getting worse.

I read further:

The Minister of Labour stated "If the situation is not corrected, the number of revolutionaries will grow. If we do not take all necessary steps and if we do not face up to our responsibilities, I am afraid we shall not have enough policemen to control the behaviour of those who will have suffered under the system."

Mr. Cournoyer's words came as an echo to those of Mr. Fernand Daoust of the Quebec Federation of Labour who had previously stated "it is going to blow up soon if enough jobs are not created".

Those statements are not liable to inspire confidence but rather to encourage opposition parties which have nothing to lose to reject all responsibilities on the government.

You only need to read the explanations given by Messrs Lévesque and Parizeau to get an idea of their objectives. Three weeks before the Chambly election, they have a first class reason to go and fight the government.

It is of the utmost importance that our administrators should become more responsible and settle once and for all this economic problem, for it is high time that we adopt a definite position. Whatever positions we have taken until now have been all wrong and have failed to cause any improvement in the situation. All this medicine that was provided could not prevent the cancer from persistantly gnawing at our economy until its final destruction.

The problem is more serious than is suggested by this motion submitted by the Conservatives. I wonder whether it was brought up merely for the sake of filibustering, but this motion should definitely be one of the most serious ever considered in this House. It should be discussed most seriously and I suggest grudges and party politics be set aside in order to find a genuine solution to the economic problems of the day. These problems are serious and there is not much time left to try and find solutions.

[*English*]

The Acting Speaker (Mr. Laniel): The hon. member for Thunder Bay (Mr. Penner).

Mr. Penner: Mr. Speaker—

Mr. Rose: Mr. Speaker, I rise on a question of privilege. I have been sitting here all evening and have consulted a number of hon. members of this House. Apparently quite a few hon. members have done considerable research into the subject being discussed and are prepared to speak this evening. However, as a result of our limited time they will not be able to do so. This sort of thing happens frequently, Mr. Speaker. I wonder if it is not time to break with tradition and allow hon. members to file speeches that they have prepared for the record, as is done in some legislatures.

Mr. Knowles (Winnipeg North Centre): No.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member should know that it is within the discretion of the Speaker to recognize an hon. member. The Chair is trying to be as fair as possible in giving various representatives in the House an opportunity to make their speeches. This question cannot be discussed in the House. The only procedure under which the hon. member can raise that point is by moving a motion to be heard in place of another hon. member.

Mr. Rose: Mr. Speaker, I certainly was not charging the Chair with discrimination or even suggesting that the Chair was discriminating against any party in the House. I believe implicitly in the fairness of the Chair and am not questioning that at all. I recognize that the Chair has a difficult task in choosing hon. members to speak.

I will not attempt to make my speech tonight. I was attempting to suggest that since there is insufficient time for all hon. members who wish to speak to be heard, there might be unanimous consent to allow some of my colleagues who have prepared their speeches and who obviously will not gain the floor tonight to file their remarks and have them printed, as if spoken, in *Hansard*. There is precedent for that practice even in this House because unanimous consent is granted to parliamentary secretaries and the House leader to file long—

The Acting Speaker (Mr. Laniel): Order, please. The Chair has listened to the point raised by the hon. member with sympathy, but the rules of the House do not permit him at this time, when the hon. member for Thunder Bay has been given the floor, to make a speech or to attempt to solve a problem of procedure. If the hon. member wishes to solve that problem he should do so by moving a motion or by suggesting to the Committee on Procedure and Organization that the rules of the House be changed. As far as the Chair is concerned, there is no precedent for the hon. member's suggestion and there is no possibility of tabling speeches in this House. The hon. member for Thunder Bay.

• (9:40 p.m.)

Mr. Rose: I rise on the same question of privilege. I do not wish to try Your Honour's patience—

The Acting Speaker (Mr. Laniel): Order, please. The Chair is not in a position to argue the matter with the hon. member and has no alternative but to recognize the hon. member for Thunder Bay.

Mr. B. Keith Penner (Thunder Bay): Mr. Speaker, I say to the hon. member that I would be quite prepared to file my speech, but if that is not allowed I will "file it down" so that others will have an opportunity to speak.

It is well known that during the decade of the 1960s there was a period of seemingly uninterrupted and even uninterruptible economic growth. During that period the

gross national product increased by 65 per cent in real terms, while at the same time the population of Canada increased by 20 per cent. A substantial real gain in the standard of living took place in the period 1960-69. The increase in gross national product attributable to inflation, however, almost equalled the real growth over this decade. The economy had begun overheating and there was a very dangerous degree of instability. The pressures of international price competition and internal imbalance required deliberate action.

In 1970, the Canadian economy became engaged in a cooling-off process. The severity was in sharp contrast to the preceding decade of growth and prosperity. Talk of breaking the inflationary psychology was coupled with a deliberate monetary and fiscal policy. Set against a stated conviction that relative price stability is a prerequisite for sustainable economic progress, Canadian monetary and fiscal authorities were faced in 1970 with the realities of persistent inflation and regional disparities. Policies initiated in 1969 to relieve inflationary pressures were, as we unfortunately know, reflected in higher unemployment rates and a general economic slowdown, particularly in the second half of 1970.

Despite the abundance of economic advisers both within and without the government service, we have not yet learned how to exercise fiscal and monetary policies in a satisfactory manner. I do not mean this to sound arrogant or disrespectful, but if some of our very bright economists had experienced a little hunger, or if they had undergone the insecurity of being without a job, they might have been able to break through that mental barrier which seemingly militates against the utilization of new, creative and, above all, effective economic policies.

I do not pretend to have the answer to that complicated problem, but certainly the repeated swing from inflation to high unemployment is not the way to run the economy. If government economic advisers do not have the answers to these difficult and awkward questions, they should be relieved of their duties or given other tasks, and perhaps some of our graduate students who are without work should be given a chance to resolve this dilemma or at least to make an attempt to do so. I return to the situation as it now exists. The slower pace of consumer spending and rising unemployment led federal government authorities to initiate a fiscal policy of moderate and selected expansion in 1970. Total expenditures of the federal government were increased by about three-quarters of a billion dollars directed toward regions of slow economic growth and high unemployment, toward housing and manpower training.

As the trend of more moderate price increases became established a series of expansionary fiscal policy measures were gradually introduced in the third and fourth quarters of 1970. Additional funds were directed to the provinces for social insurance, the student summer employment program and housing projects for moderate income families and relief of regional unemployment. The forecast of a budgetary deficit of $320 million for 1970-71 instead of the originally planned $250 million surplus dramatically demonstrates a reversal of the federal fiscal stance. The expansionary effects of this fiscal policy have not yet had the anticipated impact but there are hopeful signs of an upbeat economy.

Many economists are certain, and I share their optimism, that the Canadian economy is in a good position to take off during the second half of this year. For example, they predict an 8 per cent surge in the gross national product, 5 per cent of it real growth. In view of quite recent statistics, that appears to be somewhat overly optimistic. However, if they are anywhere close to being right it is cause for cheering.

A report on Canada in a recent issue of *Business Week* stated that from Vancouver to Halifax businessmen see Canadian consumers loaded with cash and poised to start spending. They say the result could be a buying spree that would lift Canada's economy to near boom levels by the end of 1971. For many, the money is certainly there, although unfortunately not for all. Wage settlements averaged 9 per cent last year while inflation was held at 3.4 per cent. An enormous increase in the number of women in the labour force has significantly boosted family incomes. Last year, 25 per cent of all Canadian households boasted incomes of more than $10,000. That statistic rather astounded me but I think it is accurate. That is up from only 2 per cent in that category just a decade ago.

Seven per cent of personal income is going into bank accounts, double the rate of eight years ago. As a result, banks bulge with nearly $17 billion in savings. Economists expect Canadians to break out those nest eggs soon for everything from homes to automobiles to televisions sets. Some retailers already report signs of the change. One adviser to the Canadian Bankers' Association predicts that consumer outlays in general will jump 8 per cent or more this year. Stepped-up government spending and the prospect of another record year for exports add to the rosy glow. Canadian businessmen anticipating the rebound plan to boost plant and equipment outlays by at least 10 per cent. If the forecasters are right, Canada will bounce out of the business doldrums faster than the United States. The pile-up of funds in the banking system has eased the money pinch. Mortgage rates have dropped and housing outlays are expected to jump 15 per cent this year. Heavy industry is getting ready to expand. Canadian oil men look forward to a bubbling year.

Complementing this brighter domestic outlook are strong export prospects. Canada's 1970 exports of $16.7 billion, double those of five years ago, ranked Canada as an exporting nation ahead of France and a little behind Japan. Farm products and raw materials racked up the largest export gains last year and may do so again. The world is still short of nickel. Sales of the 1970 grain crop were worth $878 million. Estimates for the 1971 crop will likely top that by $400 million and perhaps by as much at $500 million. Farmers are planting 20 million acres this year compared with only 12 million last year.

• (9:50 p.m.)

Canadian exporters are continually seeking out new markets, and doing rather well, I might add. The United States still takes 65 per cent of our exports but this figure has declined from 71 per cent in 1969. By contrast,

exports to Britain rose by 33 per cent last year, exports to Japan by more than 25 per cent and to the Common Market by more than 40 per cent.

I doubt if there is anyone today who would seriously suggest that we should leave the economy to the so-called natural forces of the marketplace. In the interest of building a sound and healthy national economy, there must be government planning and involvement. What concerns me is the fact that bureaucratic tinkering with the economy is often so inept, so lacking in expertise. There is a desperate need for new methods of regulating and controlling the economy in the best interest of all citizens, not to the detriment of some, particularly those who find themselves unemployed or who are obliged to live on small incomes, and to the undue advantage of others. My plea is that the government should continue to seek ways of making the economy work for the well-being of all, to make it buoyant and, above all, to keep it steady.

To this end, fresh approaches are desperately needed and a heavy obligation falls upon those who are propounding economic theories and suggesting ways by which monetary and fiscal policies can be exercised by government much more effectively than has been the case in the past.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, it seems to me that the greatest service the government could do for the youth of Canada would be to bring under control as quickly as possible the problems arising from unemployment, inflation and the value of the Canadian dollar on the international market.

Governments at all levels are spending hundreds of millions of dollars to educate our young people. They, in turn, are giving up many years of their lives in the belief that having benefited from advanced training and education they will be able to find a meaningful role in our society. The alarming fact is that many young people are failing to find an appropriate place in our society. Hence the motion before the House today. I suggest it is because the government, despite its mass of advisers, has failed to solve the fundamental economic problems affecting our society.

We are faced with one overwhelming issue at the moment. An attempt has been made to assure us that at a given moment the Minister of Finance (Mr. Benson), with the help of his advisers, will bring about a new era of prosperity. Apparently that era is to begin on Friday, June 18, soon after five o'clock when the minister tables his long-awaited budget in the House. Many knowledgeable people in the financial community fear he will seize this opportunity to introduce monumental changes in our taxation system.

I maintain this is a very risky time to be introducing monumental changes into our taxation system. The Canadian economy is ill-prepared to meet such changes. The prospect that these widely debated white paper proposals on taxation are to be translated into legislation covering 1,000 pages is causing unease in our financial community.

Employment Programs

Unemployment is very high; the figure of 7.8 per cent was mentioned a short while ago. The minister was hard pressed to find a reason for its failure to decline in April, when it should have declined, and finally told us the weather was responsible.

Then there is the burden of inflation. The Prime Minister (Mr. Trudeau) said last November that inflation had been licked, but this is far from being the case and this year's figure could well reach 5 per cent if the present trend continues. Another factor to be taken into account is the strength of the Canadian dollar, which has created problems for the pulp and paper industry and for agriculture in western Canada; grain prices have been effectively discounted by 10 per cent or more.

It would seem the government intends to give the Canadian public, particularly the industrial and financial community, the summer months during which to digest the material which has taken government experts years to prepare. It is, of course, only to be expected that the government will seek to make its package as broadly attractive as possible by removing 750,000 to one million Canadians from the tax rolls by increasing basic tax exemptions. By this means they hope to convince people less able to meet the burden of taxation that, since taxes have been cut for them, the measures which will inevitably be directed against the private sector of our economy are justified inasmuch as they would enable the government to avoid a deficit which would otherwise be incurred.

The proposed legislation is far-reaching and there has been little consultation with the provinces. To my mind this is one of the greatest weaknesses in the government's approach. The proposals the minister has in mind will downgrade the role of private capital, downgrade the role of the smaller businesses, so vital in our far-flung rural areas remote from large cities, and downgrade the role of the provinces. They will increase the importance of the public sector of the economy, particularly that part of the public sector which is controlled by Ottawa. The proposals have been opposed by a number of the provinces including Ontario and, latterly, Quebec. Ontario, Alberta and Quebec are insisting upon the right to function fully within the jurisdiciton granted them by the Constitution, the right to get out of shared-cost programs and other projects which they believe are too costly to be undertaken.

I say with all deference to the Minister of Finance that the economy will be badly served by the introduction of massive changes in our taxation system at a time when it is suffering under so many other difficulties. The provinces surely deserve and require prior consultation before such measures are proposed. This is particularly important in view of the growing and rightful insistence by our larger provinces on opting out of shared-cost programs as one means of decentralizing and neutralizing the effects of a massive, entrenched bureaucracy in Ottawa. All the evidence suggests that Ottawa is a very long way from knowing what is best for the economy, and we can only share the misgivings of the provinces.

Proceedings on Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

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

MANPOWER—ALLEGED DISCRIMINATION AGAINST WOMEN IN TRAINING PROGRAMS

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, one of the worst things about sex discrimination is that it is so prevalent it is never noticed unless you are a woman and come up against it. Because the Minister of Manpower and Immigration (Mr. Lang) a short time ago refused to accept my assertion that there is discrimination against women in the manpower training program, I wish to take this occasion to draw certain examples to his attention.

First of all, and most obviously, it is the name of the program—manpower training. It is just as though it were reserved exclusively for humans of the male gender. It completely ignores the fact that one-third of the labour force is composed of women.

In the second place, the legislation establishing the program is discriminatory, such as the provisions of the occupational training act to not permit full-time household responsibility to be equivalent to participation in the labour force in so far as eligibility for training allowances is concerned. The report of the Royal Commission on the Status of Women calls for an amendment to the act to make this possible. I have had a bill on the order paper for two sessions, to the same effect. Surely the minister should lose no further time in bringing forward such an amendment, which would do much to cut down the discrimination against women as far as manpower—and womenpower—training is concerned.

• (10:00 p.m.)

Third, the status of women report states on page 197 that "occupational segregation by sex is being perpetuated in the occupational training for adults program" and gives a table to show clearly that manpower offers the bulk of women trainees low-paid work like hairdressing, clerical and sales jobs and trains few, if any, in management courses. No doubt Manpower is up against the traditional attitudes of employers who take it for granted that men should be the office managers and women the filing clerks. But instead of accepting these discriminatory and old-fashioned attitudes. Manpower should be trying to influence employers in the new direction of accepting individuals according to their ability and not according to their sex.

When the discrimination of age is added to the discrimination of sex, the result is catastrophic for a woman. Here is a case from Vancouver involving a sole-support mother, the kind that would be called the head of the family if we had a more enlightened census form. She is 38 years old with three children, the youngest seven years old. She has a grade 12 education. She has been registered with Manpower since 1969. They phone her every three months asking if she is available for clerical work. She is, but the six-week brush-up course they gave her was not enough. Every time she talks to the Manpower counsellor she is advised to stay on social assistance. She wants to work.

Another Vancouver sole-support mother has several teenagers. She wants to train as a practical nurse. But the Manpower course would require her absence from home for three weekends out of four. Quite properly, she feels that she cannot abandon the teenagers for that length of time. She considered taking a medical clerk's training course but found that it would keep her away from home from three o'clock in the afternoon until ten o'clock at night—again requiring a long absence from her teenagers, this time during the period of their homework and bedtime. Obviously, these Manpower courses are not planned with the needs of women in mind, and yet a great many perfectly normal women have children whom they must support and care for. In neglecting to plan for their needs, Manpower is practising discrimination of a real and cruel kind.

Women make up almost 35 per cent of the labour force, yet last year 80 per cent of the people trained by Manpower were men; only 20 per cent were women. To overcome this discrimination I would suggest to the minister that he involve women in planning courses more adapted to their needs than is the case at present. If he did so, it would not take him long to find there is a necessity for arranging for part-time courses and hours that fit in with the responsibilities of caring for a home and children.

He would discover that sole-support mothers with children could be a tremendous source of part-time work in human services such as school aides, information centre aides, child care centre aides, part-time workers in recretational centres and a host of other jobs that society requires urgently today. Future job fields like these could take such women and their families off social assistance and allow them the right to stand on their own economic feet and to contribute their abilities to the community. And not only sole-support mothers: mothers with small children should be enabled to take courses which would allow them to retain their skills in their pre-marriage occupations so that when their children are grown and have left home they can resume their work in the community.

This sort of thing is what I believe Manpower should be working at under the heading of "unfinished business". Until it does so, it is open to the charge of discrimination on grounds of sex.

Mr. Charles L. Caccia (Parliamentary Secretary to Minister of Manpower and Immigration): Mr. Speaker, the points raised by the hon. member for Vancouver-Kingsway (Mrs. MacInnis) can hardly be dealt with in the short time allocated this evening. If the hon. member has some alternative suggestions for renaming the present Manpower services, we would be interested in examining her ideas.

With regard to the three-year clause, the hon. member has a very valid point which the department has made an object of study. Something ought to be done about

assisting women who wish to re-enter the labour force after having performed a very valuable function in society at home.

With regard to occupational segregation by sex in Manpower training courses, this could not be ascribed to wilful discrimination by the department. There must be reasons of an educational nature or of a practical nature. However, if the hon. member wishes us to investigate whether there are ways to improve the training courses she has in mind, and the possibility of offering other types of courses to women trainees, we will be glad to do so. But basically, when on May 14 the hon. member inquired why so many more men are judged to be helped by training courses than women, the answer is that it is because there are many more men who apply at Canada Manpower centres for assistance and training courses. Approximately 67 per cent of all those who apply at Canada Manpower centres are men, compared with 33 per cent who are women.

This alone gives an indication of the greater utilization of Manpower centres by men. From this follows the fact that the number of men referred for training represents 74.5 per cent, compared with 25.5 per cent for women. Again, this is a reflection of the clientele breakdown between men and women. The present figure of 25.5 per cent is an improvement over the figure of 22.7 per cent in 1968-69.

Mr. Deputy Speaker: Order, please. I regret to interrupt the parliamentary secretary, but his time has expired.

[*Translation*]

INQUIRY OF THE MINISTRY

Mr. Henry Latulippe (Compton): Mr. Speaker, as reported on page 5856 of *Hansard* for May 17, 1971, I asked the Acting Prime Minister the following question:

Considering the lack of balance of our economy, could the minister who has a great experience and knowledge of economic matters tell us if we are at the beginning of a new period of economic expansion or if we are faced with an outlook of unduly long economic decline?

Mr. Speaker, we have an unbalanced economy and the people of Canada, especially businessmen, are disoriented. They do not know any more what they are heading for. Every time I meet businessmen, they ask me: Do you know where we are going? Do you know whether we shall experience a new economic start, or whether this will keep on? We are ready to give up, we cannot carry on anymore. We are overburdened with taxes of all kinds and we have to support workers, pay them unemployment insurance benefits, provide them with pension schemes.

The manufacturer and the businessman who employ workers are forced to pay for all these things, beside health insurance for these people. This is terribly costly and boosts production costs. Their production costs must decrease.

I know some industrialists who sell their production at less than 15 years ago and who have to assume those tax increases and the various charges imposed by our economic system, in order to provide their employees with some guarantees. This increases production costs. We must reduce production costs on account of the mad competition prevailing on the market place. In such circumstances, several manufacturers went bankrupt and gave up, and we are aware of several others who are on the brink of quitting, because they can no longer make it. Therefore, they want to know whether there is any hope. They get in touch with administrators to find out whether they should give up tomorrow, lay down their arms or stand fast a bit longer. For the layman, I for one, it is rather difficult to provide a reply, because we do not hold the reins of administration, and we see the government carry on while debts, taxes and unemployment rates go up all over.

• (10:10 p.m.)

Some industrialists still believe in exports but if we export we must import for practically the same amount, so that does not change anything. Instead of selling Canadian products, we are selling Japanese products and that, on account of trade exchanges with other countries. Some intelligent manufacturers will say: What good are exports to us? Will the Minister of Trade and Commerce (Mr. Pepin) solve the problem through exports, now that we are in a bad position to export? As a matter of fact, our products are too expensive; labour and the cost of living are too high. Salary raises in keeping with the rise in the cost of living, affect production costs. Therefore we cannot compete with industrialists in other countries because our prices are too high.

How can we solve that problem?

That is one of the reasons why I asked that rather general question, to which nobody replied. That is the reason why I am asking it again tonight and I am asking the Parliamentary Secretary to the minister what kind of a solution he could suggest that the citizens could find bearable.

Should we let them nurse some faint hope by saying that the economy will start up again, that the problems will be solved and that they will be able to keep on operating their firm? The current trend is toward centralization and private firms disappear at an alarming rate.

Industrialists are leaving the private sector with much difficulty. It is hard on them. Centralization is more and more necessary and private firms are disappearing even though—and there is supporting evidence—they can certainly produce at a cheaper cost than the public sector.

Never will a state enterprise produce as cheaply as the private sector. Many Quebec people—I do not travel much in the other provinces—are against centralization because it does not solve the problem but only increases production costs.

And to create employment two or three workers will be needed instead of one. Where one man can now do the work, after everything becomes centralized three men will be needed to do the same amount of work.

Those are the questions industrialists and businessmen are asking themselves and they would like to know if they can rely on some sort of protection because the private sector is dying.

[*English*]

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the government and the Bank of Canada inaugurated an expansionary period in the Canadian economy in March, 1970. The effects of this stimulus began to show in the rates of seasonally adjusted unemployment last September, and while there have been minor fluctuations since then the unemployment trend has been downward, and notwithstanding the surprising jump in April it is expected to continue downward throughout the year. There have been three other occasions since the present labour force survey began when the seasonally adjusted unemployment rate took a sharp upward jump. On all three occasions the following month's figures fell back and the improved trend continued.

Seasonally adjusted unemployment figures are an important economic indicator but they are not the only one. Housing starts, manufacturing shipments, new orders, chartered bank general loans, industrial production, seasonally adjusted retail trade figures and exports are among the indicators that support the contention that we are not just beginning but are, in fact, well into a period of economic expansion.

The hon. member referred to a lack of equilibrium in the economy. I am not too sure what he means by that and I am afraid his comments did not clarify the implications of the term. However, Canada's is a free enterprise, not a controlled economic system. As I said in the debate this afternoon, a certain unevenness in the functioning of the economy is the price Canadians pay for a great deal of personal freedom in their economic decisions, and to date it is a price most Canadians have felt has been worth paying.

Motion agreed to and the House adjourned at 10.19 p.m.

HOUSE OF COMMONS

Friday, June 4, 1971

The House met at 11 a.m.

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF PROVINCIAL SPEAKERS ATTENDING CANADIAN AREA COUNCIL MEETING OF COMMONWEALTH PARLIAMENTARY ASSOCIATION

Mr. Speaker: I am delighted to bring to the attention of hon. members the presence in the Speaker's Gallery of a group of delegates attending the annual meeting of the Canadian Area Council of the Commonwealth Parliamentary Association.

At this moment in the gallery there are seven provincial Speakers. Later during the day it is expected that all of Canada's provincial Speakers will be in attendance, representing all of our Canadian Legislative Assemblies. On behalf of hon. members I extend to them a hearty welcome to the mother of Canadian Parliaments.

Some hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

TRANSPORT AND COMMUNICATIONS

[*Translation*]

Sixth report of Standing Committee on Transport and Communications, in the two official languages—Mr. Lessard (LaSalle).

[*English*]

ELECTION EXPENSES

Second report of the Special Committee on Election Expenses—Mr. Chappell.

[*Translation*]

EXTERNAL AFFAIRS AND NATIONAL DEFENCE

Third report of Standing Committee on External Affairs and National Defence, in the two official languages.—Mr. Lachance.

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

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[*English*]

PRICES AND INCOMES COMMISSION

TABLING OF REPORT ON PRICES OF OIL REFINERY PRODUCTS

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have the honour to present the Prices and Incomes Commission report on the prices of oil refinery products, in the two official languages.

AUDITOR GENERAL

TABLING OF ANNUAL REPORT FOR YEAR ENDED MARCH 31, 1970

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I would like to table today, on behalf of the Minister of Finance, copies in both official languages of the report of the Auditor General to the House of Commons for the fiscal year ended March 31, 1970. The Financial Administration Act requires this report to be laid before the House on or before December 31 or, if Parliament is not then in session, within 15 days after the commencement of the next ensuing session. The Auditor General has asked that his apologies be extended to the House for the lateness of this report which was caused by circumstances beyond his control.

• (11:10 a.m.)

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GRAIN

ANNOUNCEMENT OF SALE OF WHEAT TO SOVIET UNION

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I should like to report to the House upon an event which occurred about an hour ago and was witnessed by my colleague the Minister of Industry, Trade and Commerce (Mr. Pepin) and myself along with Mr. M. R. Kuzmin, First Deputy Minister of the Ministry of Foreign Trade of the Union of Soviet Socialist Republics. This was the signing of a contract between the Canadian Wheat Board and V/O Exportkhleb, the Soviet grain trading agency, for the sale of wheat to the Soviet Union totalling approximately 130 million bushels and valued at approximately $235 million. Delivery of the wheat will begin this month and continue throughout 1971 and 1972.

The sale involves two separate contracts. The first is for approximately 38.4 million bushels to be shipped during 1971, completing the outstanding portions of the agreement which was signed by the Canadian Wheat Board and V/O Exportkhleb on June 14, 1966. The second contract covers an additional sale of 2,220,000 metric tons, of which 970,000 metric tons will be shipped this year and the balance in 1972. Of the total quantity, 350,000 metric tons will be shipped in the form of flour.

In addition to this the buyer has the option to purchase a further 250,000 metric tons for shipment during the period May-July, 1972.

Shipment of the wheat will be made from both Pacific and eastern Canadian ports, with the buyer having the option to ship a portion from Churchill during the 1971 navigation season. Grades to be delivered during 1971 are Nos. 2, 3 and 4 Manitoba Northern and No. 1 Canada

Wheat Sale to Soviet Union

Western Red Spring Wheat—13 per cent protein. The buyer also has the option of taking No. 3 and/or No. 4 Canada Western Amber Durum Wheat as part of the over-all purchase contract. This contract, of course, in taking up the balance of the outstanding contract and a new portion, carries out the comments made by Mr. Gromyko to the Minister of Industry, Trade and Commerce and myself a year ago and most recently repeated in the Soviet Union to the Prime Minister (Mr. Trudeau) that the Soviet Union would turn to Canada when they next needed wheat.

Mr. F. J. Bigg (Pembina): Mr. Speaker, no news could be more welcome to Canada than news of the sale of wheat. I must say that there has been a big change since a sign, 12 feet long and eight feet high, was erected by the Liberal party in my district on the only occasion when any Prime Minister—I refer to Mr. Diefenbaker—has ever visited the town of Westlock, saying that his major crime was the sale of wheat to Communist China. I am delighted that at last the present administration, whether it is on the road to Damascus or the road to Russia, is making sure that any breakthrough in international relations is followed up on each and every occasion.

Mr. David Lewis (York South): Mr. Speaker, the same challenge which caused the Premier of Saskatchewan to ask for a postponement of the constitutional conference has robbed me this morning of all the wheat experts in my party in this House. I am therefore glad to rise as leader of this party to congratulate the Wheat Board on this sale and to express our pleasure, without any reservations, that it has taken place. I notice that no credit was given to the Prime Minister (Mr. Trudeau) for the sale as a result of his visit to Russia, perhaps in order to be consistent with the statement he made some time ago that it was not his business to sell wheat, and it was important not to break that record.

We are glad that this sale has taken place. I would merely add that there are other countries in the world which need Canadian wheat. The proposal we have made many times should be given consideration by the government, namely, that we should provide the developing countries that require wheat, flour and bread, and whose people are hungry with the necessary long-term credit so that they may buy our wheat, and thus improve the situation of Canadian farmers as well as feed the hungry people of the world.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, in my turn I wish to say that I am satisfied with that transaction which will certainly please the western wheat producers who will benefit from it. I think that similar transactions should be made with other countries which, as stated earlier by the hon. member for York South (Mr. Lewis), would need Canadian wheat.

This sale is made up of two separate contracts; one for the balance of 9 million tons of wheat which the Soviet Union had undertaken to buy in 1966 and the other for a new sale.

[Mr. Lang.]

In addition, in his statement the minister pointed out and I quote:

> As in previous contracts with the U.S.S.R., the terms of the sale call for payment in cash at the time of delivery.

Mr. Speaker, Russia will not pay us in Canadian dollars or rubles, but in gold ingots at world market prices of $35 an ounce, when it costs $16 an ounce to produce. It means that the price paid will in fact be half of what the farmers expect to get.

I wanted to point that out to the government and at the same time to congratulate it on this successful deal.

[*English*]

ORAL QUESTION PERIOD

THE CANADIAN ECONOMY

ECONOMIC POLICIES TO BE DISCUSSED AT CONSTITUTIONAL CONFERENCE—REQUESTS BY ONTARIO AND QUEBEC

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Prime Minister. In consideration of the statement made yesterday by Prime Minister Davis of Ontario that he intends to bring forcefully to the attention of the federal government at the Victoria constitutional conference his province's concern over federal policies which create economic hardship, can the Prime Minister now tell the House if Mr. Davis has indicated the specific economic areas he would like to discuss? If so, what are they?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I must confess I am not aware of what Mr. Davis had in mind. The House will recall that he requested some time ago that an additional day be added to the constitutional conference to discuss economic matters. However, since the federal budget and tax reform will be brought down after the conference, it is my understanding that he has now suggested that this additional day be not added to the conference and that economic matters, particularly those relating to the budget, be discussed some time later, presumably at a finance ministers meeting in the month of July.

Mr. Ritchie: A supplementary question, Mr. Speaker. As the Quebec Minister of Welfare, Mr. Castonguay, has suggested that Ottawa's policies are the cause of Quebec's poverty, has that province indicated to the Prime Minister the areas of economic policy which it wishes to be discussed at Victoria?

Mr. Trudeau: No, Mr. Speaker. That seems like a very general statement, such as the opposition often makes.

CONSULTATION WITH PROVINCES ON PENDING TAX CHANGES

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, have the provinces indicated to the federal government that they

are satisfied with the consultations that have taken place up to the present time on the pending tax changes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the provinces do not know any more than the opposition knows about what the tax changes will be which are to be announced in the budget and therefore the provinces cannot fairly comment on something they do not know about. They are being asked to comment at the meeting of finance ministers later.

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INDUSTRY

BOOK PUBLISHING—REPORTED REFUSAL OF FEDERAL GOVERNMENT TO ASSIST FIRM OF McCLELLAND AND STEWART

Mr. David Lewis (York South): I have a question for the Prime Minister. Will the Prime Minister inform the House whether the provincial government of Ontario has asked the federal government to give some assistance, together with the province of Ontario, to the publishing house of McClelland and Stewart and has the federal government refused to participate in such assistance, as I am informed the premier of Ontario announced in the legislature this morning?

Right Hon. P. E. Trudeau (Prime Minister): I did not see that announcement, Mr. Speaker, and I am not in a position to contradict it. I know the Secretary of State brought the matter to the federal cabinet some time ago and that we discussed it and a decision was taken. This decision was to be communicated to the Ontario authorities by the Secretary of State. I would prefer to have the Secretary of State say exactly what he communicated to them rather than comment on it myself.

Mr. Lewis: A supplementary question. In view of the fact that the Prime Minister has informed the House that the matter was brought to cabinet and that a decision was taken by the government, surely as Prime Minister he is able to inform the House. Will he be good enough to say whether the decision of the federal government was to participate in assistance to McClelland and Stewart or not?

Mr. Trudeau: The decision was that the Secretary of State should communicate some information to the Ontario cabinet.

Mr. Lewis: On a point of order, Mr. Speaker, if the Prime Minister had made no answer to my question that, of course, would be his right. However, I suggest that when the Prime Minister says the government has taken a position on the matter and as the matter was discussed and I have brought it to his attention, surely it is his duty to inform the House what the decision was of sloughing off the question.

Mr. Speaker: Order, please. I suggest to the hon. member that is hardly a point of order. It is debate between the right hon. gentlemen and the member for York South.

Mr. Lewis: May I rise on—

Mr. Speaker: Does the hon. member wish to rephrase the question?

Mr. Lewis: I want to ask the Prime Minister whether the following statement which is reported to have been made by the Secretary of State some time ago was government policy, namely, that publishers in need of working capital should be able to borrow under special terms and conditions and that it is the role of the provincial and federal governments to assist such industries which are essential for the country and which cannot survive on their own resources. I ask the Prime Minister whether this statement by the Secretary of State was government policy and, if so, did the government agree to participate in assistance to McClelland and Stewart as a result of that policy?

Mr. Trudeau: Mr. Speaker, I was trying to be helpful to the member and forthcoming to the House in saying it had been discussed in cabinet, but I see it would have been simpler to have just taken notice of the question and said that the Secretary of State will answer the question when he is present.

* * *

TRADE

ACTION TO INCREASE SALE OF MANUFACTURED PRODUCTS TO JAPAN—SURVEY OF POTENTIAL MARKETS

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Industry, Trade and Commerce. In view of the statement yesterday in Vancouver by the chairman of Mitsubishi Corporation, Japan's largest trading company, that Canadian businessmen have not been aggressive enough in trying to sell in Japan and if they would expend just a little more effort they would probably be amazed at the results, will the minister take the first opportunity on motions to outline to the House what steps his department is willing to take in the immediate future to send additional trade missions of Canadian businessmen to the Japanese market, over and above anything that has been done in the past or is being done now, so that we may take full advantage of opportunities to sell, in particular, labour-intensive manufactured products in that market?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Hon. members will observe, Mr. Speaker, that the remark was made about Canadian businessmen, not about the Canadian government. If I were to deliver a statement each time my friend asked me for one, I would be on my feet almost every day. I will gladly write to the hon. member to give him a better idea than he already has of the efforts made by the Canadian government to develop trade with Japan.

Inquiries of the Ministry

Mr. Hees: When the minister is making the statement in the House I have asked him to make for the information of all hon. members, will he also outline the steps he is willing to take to arrange for an immediate survey by his department of all traditional and potential markets throughout the world to make sure we are not missing out on important potential sales in other parts of the world as we are obviously missing out in Japan?

Mr. Pepin: There was a good example this morning of the sales the Canadian government has encouraged and is making. I believe that a growth factor of 13 per cent last year on exports is a good indication of the efforts that are being made.

This point raised by that Japanese businessman about the activities of Canadian businessmen in Japan is debatable. If you look at the increase in exports to Japan in the last year—

Mr. Speaker: Order, please. I regret to interrupt the minister but I suggest we are now embarking upon a debate between the minister and the hon. member. Perhaps we might return to the hon. member for Prince Edward-Hastings in a short while if he wishes to pursue the matter further. In the meantime, the Chair will recognize the hon. member for Hillsborough.

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EXTERNAL AFFAIRS

PROVISION OF MILITARY TRANSPORT AIRCRAFT TO ASSIST IN MOVEMENT OF EAST PAKISTAN REFUGEES—INCREASE IN FINANCIAL AID

Mr. Heath Macquarrie (Hillsborough): I have a question for the Minister of National Defence. Noting that the United States is sending four large military transports to assist in the movement of refugees from Pakistan, now in India, could the minister tell us whether any request for similar assistance has come to the government of Canada and whether the government is looking with favour upon the granting of such aid?

Hon. Donald S. Macdonald (Minister of National Defence): I would have to confirm this, but at the moment I do not believe we have received a specific request for material assistance such as could be provided by Air Transport Command. As the hon. member will recall, the command was of some assistance in East Pakistan earlier this year, and of course we stand ready to provide as much assistance as we can should there be such a request made.

Mr. Macquarrie: I direct this question to the Prime Minister. Noting, also, that the United States is increasing substantially its financial aid in connection with these refugees, may I ask whether the government of Canada is giving consideration to granting more assistance to these suffering people?

Right Hon. P. E. Trudeau (Prime Minister): The matter will be discussed when the Secretary of State for External Affairs comes back from his conference in Europe.

[Mr. Pepin.]

EAST PAKISTAN REFUGEES—PROVISION OF EMERGENCY MEDICAL SUPPLIES

Mr. Stanley Haidasz (Parkdale): In view of increased reports of shortages of medical supplies needed to combat epidemics rampant among the East Pakistan refugees, I should like to ask the Acting Secretary of State for External Affairs whether Canada has received a request from any country or international relief agency for emergency supplies? If not, has Canada offered such assistance to this unfortunate part of the Commonwealth?

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URBAN AFFAIRS

ONTARIO DECISION TO SUPPORT PUBLIC TRANSPORTATION RATHER THAN EXPRESSWAYS—FEDERAL FINANCIAL ASSISTANCE FOR RAPID TRANSPORT FACILITIES

Mr. Andrew Brewin (Greenwood): I address my question to the Minister without Portfolio responsible for urban affairs. I should like to ask whether, in light of the historic decision of the government of Ontario to transfer its financial support to public transportation from the building of expressways, the government of Canada will review its policies in the field of urban transportation and undertake to give financial support for the building of rapid transport facilities in lieu of expressways and thus encourage a form of transportation more sensitive to the real needs of the people living in urban areas?

Mr. Speaker: I suggest to the hon. member that the question is perhaps more than that. It seems to me it is a suggestion or proposal he is making to the government. However, the minister responsible for this part of the administration might like to reply.

Hon. Robert K. Andras (Minister without Portfolio): I think I have answered similar questions before. I shall simply say I will give every consideration to the hon. member's representation.

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RESEARCH

APPROPRIATION OF FUNDS TO FIND SUBSTITUTE FOR INTERNAL COMBUSTION ENGINE

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a related question to the President of the Treasury Board in his capacity as minister responsible for science matters. In light of the historic announcement from Queen's Park yesterday, can the minister say whether the federal government has considered appropriating sufficient funds for massive research into the possibility of getting rid of internal combustion engines on our highways before they get rid of us?

Hon. C. M. Drury (President of the Treasury Board): There is already a considerable effort going into seeking satisfactory alternatives to the present gasoline-powered internal combustion engine, either by using other sources of energy than gasoline or by not using an internal combustion engine at all. This question is being dealt with by a number of departments but there will, of course, be a special interest shown by the new department of the environment.

HEALTH

PRINTING OF WARNING OF DANGER TO HEALTH ON CIGARETTE PACKAGES

Mr. Oza Tétrault (Villeneuve): Mr. Speaker, I would have addressed my question to the Minister of National Health and Welfare but in his absence I direct it to his parliamentary secretary. Following government pressure in Great Britain, tobacco manufacturers agreed to print "Smoking can damage your health" warnings on cigarette packages. Can the minister say if Canadian manufacturers were approached to have a warning printed on each package of cigarettes sold in Canada?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I will take notice of the question on behalf of the minister.

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URBAN AFFAIRS

DISCUSSIONS WITH PROVINCES ON PLANNING OF CITY GROWTH TO AVOID NECESSITY OF COMMUTING BY AUTOMOBILE

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the President of the Treasury Board a question which is supplementary to the one to which he has just replied. Have there been any discussions between the federal government and the provinces, or any requests made by the provinces, regarding research into a logical way of controlling and planning city growth so that commuting by automobile on costly highways to and from suburbs will not be necessary in the future?

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, this is perhaps a special part of the consideration of the whole environmental problem being given by the minister responsible for urban affairs and Central Mortgage and Housing Corporation. This is a field of sociological research into which considerably more effort has been put in recent years than in the past, but I think we are still some distance from finding the answers.

* * *

INQUIRY OF THE MINISTRY

Mr. Craig Stewart (Marquette): Mr. Speaker, I should like to direct my question to the Prime Minister. Following the speech in Alberta yesterday by the Minister of Energy, Mines and Resources, has the Prime Minister issued a directive that all speeches of cabinet ministers be submitted to his office so as to make sure there is nothing anti-American or anti-Russian in their content?

Mr. Speaker: Order, please. The hon. member will realize that the question asked in those terms is not in order.

Inquiries of the Ministry

[*Translation*]

FEDERAL-PROVINCIAL CONFERENCE

TRANSFER TO PROVINCES OF JURISDICTION OVER SOCIAL SECURITY—REQUEST FOR STATEMENT BY PRIME MINISTER

Mr. Roch La Salle (Joliette): Mr. Speaker, I would like to ask the Prime Minister a question.

Regarding a question I asked yesterday, would the Prime Minister make a statement on motions before the Victoria Conference about the suggestions of the Castonguay report on the distribution of powers over social security?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

[*English*]

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, I have a supplementary question regarding the conference. Will the Prime Minister be making an effort to talk to Premier Davis before the conference in the same way as he talked to Premier Bourassa so as to try to get some of Ontario's ideas ironed out?

Mr. Trudeau: Mr. Speaker, I will do my best to iron out any Tory ideas in Ontario, but it is very difficult.

* * *

POLLUTION

ACTION TO REMOVE THREAT OF OIL SPILL FROM GROUNDED TANKER, "TRANS PACIFIC"

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, on Tuesday I asked a question of the Minister of Transport, which was taken as notice, with regard to the motor vessel *Trans Pacific* which was aground off St. Pierre Island and was posing a threat to our shores. I am wondering what action the department has taken in regard to preventing any threat to our shores from oil pollution?

Mr. Gerard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the latest information on the status of the *Trans Pacific* is that there is no longer any pollution threat because the cargo was salvaged a number of days ago.

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PENITENTIARIES

COLLINS BAY—REPORTED RIOT—USE OF PROVINCIAL POLICE IN CASE OF DISTURBANCES

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the Solicitor General whether he has a report to make on the riot that is reported to have taken place in Collins Bay penitentiary on Monday of this week. May I also ask the minister whether it is now the intention of the department to use the Ontario Provincial Police or the provincial police in other provinces every time there is a disturbance at a federal penitentiary?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, a convict at Collins Bay has actually hit a guard. Since that constitutes an assault, we have asked the Ontario Provincial Police to investigate. I think that the best way to discover the truth is to use inside penitentiaries those agencies which make investigations outside them.

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THE CANADIAN ECONOMY

STATEMENT OF FORMER MINISTER OF COMMUNICATIONS —CALLING OF GENERAL ELECTION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to put a question to the Prime Minister.

The former Minister of Communications stated in St. Johns, Newfoundland, I believe it was yesterday, that there would be a resurgence of inflation in 1973-74. Was the former minister, who is still a Liberal member, then reflecting the government's opinion?

Mr. Speaker: Order, please. The hon. member knows that this question is out of order. The statement was made by a former minister, and not by a current minister. This is why the question cannot be asked in the terms used by the hon. member for Témiscamingue.

Mr. Caouette: With your permission, Mr. Speaker, I would like to ask the government and not the former minister a supplementary question which is quite relevant.

Is the Prime Minister considering calling a general election before inflation recurs?

Right Hon. P. E. Trudeau (Prime Minister): This would be quite a good idea, Mr. Speaker.

* * *

[*English*]

INFORMATION CANADA

SECURITY REPORT ON JEAN-LOUIS GAGNON—REFERENCE IN LETTER OF MINISTER OF CONSUMER AND CORPORATE AFFAIRS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs and arises from an answer given by the Prime Minister to a question asked yesterday by the hon. member for Red Deer. In view of the fact that the Prime Minister stated that no comprehensive security report was prepared for cabinet use on the director of Information Canada, in order to clarify some correspondence received from the minister's office, especially in view of his penchant for credibility in advertising and many other things, could the minister explain to which comprehensive report he was referring in letters dealing with this matter to constituents in his riding?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the letter to which I think the hon. member refers was intended to indicate that security procedures had been followed in this case, which is the information that the Prime Minister gave the House over a year ago.

Mr. Nowlan: Is it fair to assume from the minister's answer that the specific statement in the letter that "a comprehensive report was drawn up for the use of cabinet only" is incorrect?

Mr. Basford: No, Mr. Speaker.

Mr. Speaker: Order, please.

* * *

NATIONAL DEFENCE

STUDENT MILITIA TRAINING PROGRAM QUOTAS AND COURSES

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, my question is for the Minister of National Defence. Can the minister advise the House whether the quotas under the student militia training program have now been reached?

Hon. Donald S. Macdonald (Minister of National Defence): I will take that question as notice, Mr. Speaker.

Mr. Marshall: A supplementary question, Mr. Speaker. As the minister is taking notice of the question, would he investigate the reason why, despite an expansion of the program from 5,000 to 8,000, some provinces' quotas have been seriously reduced, and would the minister also investigate why some courses have been cut out or cancelled at armouries where applications had already been made?

* * *

FISHERIES

SUGGESTED SUSPENSION OF RIGHTS GRANTED TO UNITED STATES FISHING VESSELS ON PACIFIC COAST

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I wonder whether the Prime Minister might be able to give me an answer today to the question I asked him on June 1 arising from the refusal of the United States coastguard to admit Canadian fishing vessels to ports in the state of Washington, and what action the government might take in light of this situation?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I remember referring this question to, I believe, the Secretary of State for External Affairs. This is not a day on which the department is answering in the House, but I understand that there is a minister to my left who is able to supply an answer to this question.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I understand that an investigation is being carried out into that subject. The Secretary of State for External Affairs wants to remark, however, that there is no contractual obligation with respect to this situation, that the whole matter is dealt with under cus-

tomary international law, not written law. If there are reasons to believe that injury was done to international law in this case, the Secretary of State for External Affairs is willing to discuss the matter with the United States government.

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POLLUTION

OPPORTUNITY TO DEBATE PROPOSED AGREEMENT BETWEEN CANADA AND UNITED STATES RESPECTING LOWER GREAT LAKES

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question for the Minister of Fisheries and Forestry but in his absence I will direct it to the right hon. Prime Minister. In view of the concern over pollution, will Parliament be given an opportunity to debate proposals concerning a possible Canada-United States clean-up agreement for the lower section of the Great Lakes?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I believe there is a meeting on the tenth of this month which will be attended by a Canadian minister. When he returns I will consult with him on the opportunity of making a statement to the House.

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a supplementary question. May I ask the Prime Minister whether he has looked out of his bedroom window since he got back and noticed the massive pollution in the Ottawa River—

Mr. Speaker: Order, please.

Mr. Hees: —as an example of the fact that the government is doing nothing across the country to deal with pollution?

Mr. Speaker: Order, please. I am sure the hon. member has seen the light and will recognize that he is out of order.

* * *

[*Translation*]

CANADIAN NATIONAL RAILWAYS

CLOSING OF OTTAWA OFFICE

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, my question was for the Minister of Transport but, in his absence, I will direct it to his Parliamentary Secretary. In view of the fact that our seats are not very far apart, I dare hope that my question will reach the minister very quickly.

Is it the intention of the Minister of Transport to urge the Canadian National Railways authorities to stop making things difficult for the public and to give up the idea of closing their office at 70 Sparks Street whose services are absolutely necessary?

Mr. Speaker: The hon. member has put his question. He is making a suggestion or representations to his colleague and obviously, the Parliamentary Secretary's colleague has taken note of them.

Inquiries of the Ministry

[*English*]

CONSUMER AFFAIRS

OIL COMPANY PRICE INCREASES—ACTION RESPECTING ALLEGED EXCESS PROFITS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct my question to the Minister of Consumer and Corporate Affairs. It is in connection with the report he tabled today from the Prices and Incomes Commission which indicates that Imperial Oil, Shell Canada, Texaco and Sun Oil increased their prices in a manner which resulted in revenues increasing to a greater extent than costs, and that the commission has met with these companies in an attempt to convince them to take remedial action but has not been successful and has therefore brought this matter to the minister's attention. May I ask the minister what action he intends to take in the face of this excessive profit-taking by the oil companies?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): As indicated in the report, the amounts involved were generally small in relation to the total revenue. Nevertheless, I certainly regret that the companies were unwilling, apparently, to take any sort of compensatory action. As a result we are examining a number of alternatives that arise from the report and which will be announced in due course.

Mr. Saltsman: Can the minister say whether one of the things he is examining is the report of the Alberta government made to the minister in 1969 which recommended that the government intervene in order to restore freedom of enterprise to service station operators? Is he considering taking action as recommended by Alberta?

Mr. Basford: I have already indicated that that report and a similar one from British Columbia and also one from Nova Scotia are being considered by me in terms of revising the Combines Investigation Act.

STEEL PRICE INCREASES—INVESTIGATION BY PRICES AND INCOMES COMMISSION

Mrs. Grace MacInnis (Vancouver-Kingsway): I have a supplementary question for the Minister of Consumer and Corporate Affairs. In view of the fact that Dofasco estimates that its latest price increases will add about $10.50 to the steel cost of a family car, 62 cents to the steel cost of a refrigerator and 64 cents to the cost of a stove, has the minister asked the Prices and Incomes Commission to investigate this inflationary price rise, or could he tell the House what effective action he plans to take to deal with it?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): The effective action is the first course of action the hon. member suggested.

NOVA SCOTIA-NEWFOUNDLAND FERRY RATE INCREASE—INVESTIGATION BY PRICES AND INCOMES COMMISSION

Mr. James A. McGrath (St. John's East): Mr. Speaker, perhaps my question is more of a related question. Will the Minister of Consumer and Corporate Affairs under-

take to refer to the Prices and Incomes Commission the extravagant increases in fares imposed by Canadian National on the gulf ferries between Newfoundland and Nova Scotia?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): That question has already been asked of my colleague, the Minister of Transport, and has been dealt with in the House.

Mr. McGrath: May I point out with great respect that the question was not put to the minister. I again ask the Minister of Consumer and Corporate Affairs, who is responsible for the Prices and Incomes Commission, if he will refer the extravagant increases by the CNR which average about 80 per cent on the gulf ferries between Newfoundland and Nova Scotia to the Prices and Incomes Commission?

Mr. Basford: I believe that the Prices and Incomes Commission is examining these fare increases but I believe, although I may be wrong, that these questions were also asked of the Minister of Transport who reports to the House for the CNR relative to fare increases and that answers were given at that time.

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

Mr. Speaker: The hon. member rises on a point of order. We will have to go on to another question after the hon. member has indicated what his point of order is.

Mr. McGrath: My point of order is to set the record straight. The Minister of Transport left on an official trip to Europe the day before the increases were announced by the CNR.

Mr. Duquet: I also rise on a point of order, Mr. Speaker. I answered that question last Wednesday.

An hon. Member: What did you say?

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INDUSTRY

DISCUSSIONS WITH UNITED STATES AND AUTOMOBILE COMPANIES TO IMPROVE CONDITIONS FOR CANADA UNDER AUTO PACT

Mr. Edward Broadbent (Oshawa-Whitby): I have a question for the Minister of Industry, Trade and Commerce concerning the auto pact. Assuming that the minister has read the auto pact since the bizarre answer he gave the hon. member for Windsor-Walkerville the other day, can the minister inform the House whether or not the government has in recent months approached the United States government and the automotive companies with a view to improving the conditions for Canadians which currently exist in the auto agreements between Canada and the United States?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): There has been a constant flow of conversations between the—I see by the face of the hon. member

[Mr. McGrath.]

or by the noise made by him that he does not agree with what I am about to say. I wonder why he does not agree.

Mr. Hees: Just give the answer.

Mr. Pepin: I repeat then that there has been a constant—

Mr. McGrath: You are not supposed to lip read.

Mr. Pepin: I was saying very politely that there has been a constant flow of conversation between the governments of Canada and the United States on the subject of the auto pact in the last months, and the industry has been made aware of those conversations by myself.

Mr. Broadbent: I do not doubt that there has been a constant flow of conversation. What I am interested in is whether there have been any results that the minister can report to the House.

Mr. Pepin: When results are reached I will communicate them to the House in a very polite way.

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FINANCE

SOFT LOANS TO THIRD WORLD COUNTRIES—EFFECT OF DELAY IN PASSAGE OF UNITED STATES FOREIGN AID BILL ON CANADIAN PLEDGE

Mr. R. Gordon L. Fairweather (Fundy-Royal): I have a polite question for the Prime Minister. In view of the concern, referred to in the New York *Times* this week, of the international development section of the World Bank about soft loan pledges for third world countries, will the Prime Minister reassure us that Canada's pledge of $50 million is unaffected by the hold-up of the foreign aid bill in the United States? Second, to prevent a supplementary question, would the Prime Minister ask the Minister of Finance if he would be agreeable to making a statement on motions on this whole matter which is of some concern to the countries involved?

Right Hon. P. E. Trudeau (Prime Minister): I think this is the type of polite question which the Minister of Finance would be able to answer it asked of him. I am not aware of any change in the government's plans as a general proposition, but I must say that the fact that a bill might be held up in Congress does not seem to me to be a sufficient reason for Canada to change its aid plans.

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GRAIN

FORECAST OF TOTAL WHEAT SALES THIS YEAR

Mr. Jack Murta (Lisgar): My question is directed to the minister responsible for the Wheat Board. In view of his announcement this morning of the sale to Russia, which is the first announcement of a wheat sale of any consequence for a considerable period of time, I should like to ask him whether other wheat sales are being contemplat-

ed to bring the total of wheat export sales this year up to the 500 million bushel figure that he has been quoted as expecting?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, there have been constant reports of sales of wheat, for instance, not long ago to Brazil, and so on, and there is every prospect still that our exports for this year will hit record levels. Of course the sale announced this morning, like some of the other sales, relates particularly to the next crop year and so begins to lay the foundation for a very rapid movement of grain into the next crop year as well.

Mr. Murta: Can the minister inform the House what total wheat sales are up to this point for this crop year?

Mr. Lang: Mr. Speaker, it is not customary to be too precise about the sales figures, but I did indicate in answer to a question this morning that the likely total export sale of wheat for the 1970-71 crop year, which ends on July 31, will be within the range of 430 million bushels to 470 million bushels.

APPROXIMATE PRICE OF WHEAT SOLD TO RUSSIA

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish to direct a supplementary question to the minister responsible for the Canadian Wheat Board. It refers to his statement earlier this morning with respect to the large sale of wheat to Russia. Can the minister indicate what the approximate price in this sale was, and if the wheat was in fact sold at a price per bushel that would compensate the Canadian wheat producer?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Well, Mr. Speaker, the exact selling price is also confidential information between buyer and seller. However, recent Wheat Board listed prices have been in ranges which have been approximately at the minimums under the International Grains Arrangement.

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TRADE

STATISTICAL BREAKDOWN OF PRODUCTS EXPORTED—REASON FOR DELAY IN PRODUCTION OF REPORT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I was asked a question yesterday by the very energetic and distinguished member for Prince Edward-Hastings—

Some hon. Members: Oh, oh!

Mr. Hees: I cannot help but agree with that.

Mr. Pepin:—about the monthly breakdown of exports, and the information it usually provides on the degree of fabrication of exports. I have inquired, and I presume that a number of people in DBS have stayed up overnight. The explanation is that computer programming is encountering scheduling difficulties, for the first time in recent history of this set of statistics.

Inquiries of the Ministry

Some hon. Members: Oh, oh!

Mr. Pepin: However, DBS officials having worked overnight I have some preliminary statistics, subject to further auditing and possible revision.

Mr. Hees: Which I am sure they will get.

Mr. Pepin: These statistics, which I am very keen to show to the hon. member, show that preliminary tabulations of the data indicate that the proportion of end products to total domestic exports was higher in April, 1971 than in April, 1970, and the same is true for the first quarter of 1971 compared with the first quarter of 1970. So I know the hon. member will be delighted to receive this information.

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[*Translation*]

INDUSTRY

BRUCK MILLS LIMITED—POSSIBLE CLOSING OF MONTREAL PLANT

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I also want to reply to the hon. member for Saint-Hyacinthe who inquired from me yesterday about Bruck Mills Limited, in Montreal, which would be on the eve of shutting down their plant.

He is right about the main point only. One hundred and thirty-five employees and not 250 are involved. Some of them will be hired by a research and development laboratory which is being built by the company in Montreal. Others will obtain employment in the same sector—knitting—in the Montreal area and the company points out that it will hire another 250 employees in the Sherbrooke area.

[*English*]

Mr. Speaker: The hon. member for Gander-Twillingate.

Mr. Hees: On a supplementary—

Mr. Speaker: Order. We are running short of time. I would suggest that the matter might be pursued at the next sitting of the House. For the moment the Chair has recognized the hon. member for Gander-Twillingate.

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PRICES AND INCOMES COMMISSION

CONTINUATION OF LEGISLATIVE POSITION BEYOND DECEMBER, 1971

Mr. John Lundrigan (Gander-Twillingate): Mr. Speaker, I would not object to the hon. member responding to that statement on motions, but in any event I have a question for the Minister of Consumer and Corporate Affairs. I would like to know if there has been a special meeting recently between himself and the chairman of the Prices and Incomes Commission, and if the discussion involved the continuation beyond December, 1971, of the legislative position of the Prices and Incomes Commission?

Inquiries of the Ministry

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure what the hon. member means by a special meeting. We talk about matters quite regularly and constantly, and there is no such thing as a special meeting.

Mr. Lundrigan: Mr. Speaker, may I have an answer to this question—

Mr. Hees: On a point of order—

Mr. Speaker: The hon. member rises on a point of order.

Mr. Hees: Mr. Speaker, you have pointed out quite rightly to the members of the House how a great deal of time is wasted in dissertations between ministers and members, just as we have had this morning, but may I point out that this is because the Minister of Consumer and Corporate Affairs and many others simply refuse to give straight answers and we have to keep pounding at them in order to try to get some kind of answer out of them.

Mr. Speaker: Order, please. The hon. member for Cumberland-Colchester North.

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POLLUTION

EXTINGUISHING OF SPRINGHILL MINE DUMP FIRE

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I wish to direct a question to the Minister of Energy, Mines and Resources. Is he in a position to report to the House on what progress is being made in extinguishing the mine dump fire at Springhill, Nova Scotia, following his meeting with the Minister of Mines from Nova Scotia regarding this matter?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, I have not been brought up to date in the last day or two on this question, but I will be glad to take it as notice and report to the hon. member.

Mr. Speaker: I believe the hon. member for Marquette has a supplementary to a previous question, and he will be recognized now.

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GRAIN

WHEAT—ASSURANCE THAT PRICE IN SALE TO RUSSIA NOT BELOW COST OF PRODUCTION

Mr. Craig Stewart (Marquette): Mr. Speaker, my question is directed to the minister who reports for the Canadian Wheat Board. Can the minister assure the House that the wheat sale to Russia was not made at below production costs to western farmers, as has been the case with barley sales recently?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I take issue with the hon. member's statement that barley sales recently have been made below the cost of production. In answer to a question a moment ago I said that the actual prices are not revealed but that the most recent prices being quoted by the Wheat Board are public knowledge, and the hon. member can draw his own conclusions.

* * *

HOUSING

IMPLEMENTATION OF PUBLIC HOUSING GUIDELINES—MEETING WITH PROVINCIAL AUTHORITIES

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to direct a question to the minister in charge of housing. When will he be meeting with his provincial counterparts to discuss the implementation of the public housing guidelines which were issued by him about a year ago?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, there have been several meetings since that public housing guidelines statement was issued. There has been considerable progress toward implementing many of the suggestions we made at the federal level. Some have not been accepted by the provincial governments. This is a matter of constant discussion between the provincial housing authorities and CMHC.

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TRANSPORT

FERRY RATE INCREASES IMPOSED BY CANADIAN NATIONAL RAILWAYS IN MARITIMES—REQUEST FOR STATEMENT BY MINISTER

Mr. Jack Marshall (Humber-St. George's-St. Barbe): Mr. Speaker, I wish to direct a question to the Parliamentary Secretary to the Minister of Transport. In view of the serious cost to the economy of the Atlantic provinces as a result of the increased CNR ferry rates, would the parliamentary secretary bring all the grievances and protestations already made to the minister's attention and ask him to make a statement on motions when he returns to the House?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I would again like to repeat that the increase in ferry rates does not contravene the terms of union with the province of Newfoundland which refer to the movement of freight. The increase was made after a very close study of the matter. Further, the minister will be in the House on Tuesday and he will certainly be glad to answer any questions put by hon. members.

Mr. Marshall: On a point of order, Mr. Speaker, the parliamentary secretary has not answered the question. It has nothing to do with rail freight rates. It has to do with ferry rate increases between the provinces of Nova Scotia and Newfoundland.

INDUSTRY

MICRO DRUG COMPANY—REQUEST FOR FINANCIAL ASSISTANCE

Mr. Max Saltsman (Waterloo): Mr. Speaker, I would like to direct a question to the Minister of Consumer and Corporate Affairs. It is in connection with the letter sent to the minister from Micro Drug Company. Was that request for assistance met by his department, and what was the conclusion of his department's investigation into the situation of Micro Drug?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure to which letter the hon. member refers. If it was a request by Micro Chemicals because of certain difficulties they were having, that letter has been responded to and the matter of financing Micro under the PIDA program was referred to my colleague, the Minister of Industry, Trade and Commerce, who has been answering questions on the subject in the House. He and his officials are examining whether Micro Chemicals would be eligible for a loan under the PIDA program.

Mr. Speaker: Orders of the day.

Mr. McGrath: On a question of privilege, Mr. Speaker, the Parliamentary Secretary to the Minister of Transport interjected on a point of order during the question I directed to the Minister of Consumer and Corporate Affairs to say he had already responded or replied to my question, which was to ask the Minister of Consumer and Corporate Affairs to refer to the Prices and Incomes Commission the inflationary and extravagant increases by CNR in the ferry rates. Upon examination of *Hansard* I find that the parliamentary secretary did not respond to this question, and I suggest to the hon. member that he should get his facts straight before he interjects in that way.

• (12 noon)

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House proceeded to the consideration of Bill C-219, to establish the Canada Development Corporation, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: Order, please. Before the motions are called in connection with the consideration of Bill C-219, an act to establish the Canada Development Corporation, the Chair might be allowed to make some suggestions about the way in which these motions might be considered.

The first suggestion I should like to make is that motions Nos. 1 and 2 be proposed together to the House,

that they be debated as a single question and that if there is a negative vote on motion No. 1, that vote will also dispose of motion No. 2; second, that motions Nos. 3. 4 and 5 might be grouped for the purpose of debate and should there be a negative vote on motion No. 3, that vote will also dispose of motions Nos. 4 and 5; third, motions Nos. 6 and 7 could be grouped for joint consideration and here again a negative vote on motion No. 6 would dispose of motion No. 7; fourth, motion No. 8 might be considered and disposed of separately. Motions Nos. 9 and 10 could be grouped for the purposes of debate but a negative vote on motion No. 9 should dispose also of motion No. 10.

I suggest to the House that motion No. 11 might well be defective in that it would appear to go outside the scope of Bill C-219 in attempting to amend the Senate and House of Commons Act. This motion is submitted to the consideration of the House by the hon. member for Cochrane (Mr. Stewart). However, before making a decision in that regard the Chair is prepared to hear argument when the motion is called for consideration in due course. Lastly, it is suggested that motion No. 12 be considered and disposed of separately.

If the suggestions of the Chair are acceptable to hon. members, the Chair is prepared at this time to put motion No. 1 and motion No. 2 to the House. Before doing so I should be pleased to hear the suggestions, comments or advice of hon. members.

Mr. Lambert (Edmonton West): Mr. Speaker, I was looking at the grouping proposed by Your Honour and I find some difficulty in establishing the relationship between motions Nos. 9 and 10. Motion No. 10, relating to clause 39, deals with the acquisition of shares, in whole or in part, of certain Crown corporations whereas motion No. 9 deals with an entirely different clause and an entirely different matter. I find it somewhat difficult to see—

Mr. Speaker: Order, please. The hon. member does not have to argue the matter too strenuously. As I indicated I am quite prepared to make changes. It is sometimes not too easy for the Chair to interpret some of the motions proposed by hon. members. When an argument as logical as the one just made by the hon. member for Edmonton West (Mr. Lambert) is submitted for the consideration of the Chair, I have no hesitation in accepting the suggestion and motions Nos. 9 and 10 will be considered separately.

Hon. members know that suggestions made by the Chair are just for the convenience of the House. If hon. members take exception to the situation for serious reasons, there is no difficulty in agreeing with hon. members who make such suggestions. I would, therefore, agree that motions Nos. 9 and 10 be considered separately.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, if I may comment on the ruling you have made with respect to the 11 motions that have been submitted by members of this group, I may say that the suggestions you have made, taking into account the amendment pro-

posed by the hon. member for Edmonton West (Mr. Lambert), are quite agreeable to us. In other words, there will be seven different proposals, seven different debates and perhaps seven different votes. The only comment I would like to add is that in those cases where Your Honour said if there was a negative vote it would take care of other motions, I suppose it follows that if there is an affirmative vote in some of these cases then we will reassess the situation.

Mr. Speaker: The hon. member's suggestion is hypothetical, but it would be considered if there were an affirmative vote. I note the hon. member's suggestion that a negative vote indicating that certain matters would be done is equally hypothetical. I had in the back of my mind that perhaps one was just a little more hypothetical than the other.

Mr. Mahoney: Mr. Speaker, I certainly agree with the suggestion of the hon. member for Edmonton West (Mr. Lambert) that Nos. 9 and 10 be separated. However, it seems to me that amendment No. 9 is consistent with Nos. 1 and 2 in that it is basically directed at making the Canada Development Corporation a Crown corporation and taking it out of the private sector. Some consideration could properly be given to including motion No. 9 with Nos. 1 and 2.

Mr. Speaker: That might be complicated. I suggest to hon. members that if we try to change this grouping too much we will be here for two days trying to make new groupings and new regroupings. I am not suggesting that the proposal made by the hon. parliamentary secretary is not logical, but in view of the fact that the suggestion has been made now that Nos. 1 and 2 be considered together and that we are prepared to proceed with them, I suggest we do this unless there is unanimous agreement that No. 9 be taken with Nos. 1 and 2.

Mr. Knowles (Winnipeg North Centre): No.

Mr. Speaker: There is obviously no such agreement. I would hope that hon. members would agree with the suggestions made by the Chair at this time. We will now call motions Nos. 1 and 2.

Some hon. Members: Agreed.

Mr. Max Saltsman (Waterloo): I move:

That Bill C-219, an act to establish the Canada Development Corporation, be amended by deleting from clause 2 all the words following "corporations" in lines 9 to 12 on page 1.

That Bill C-219, an act to establish the Canada Development Corporation, be amended by deleting from clause 4 the words "together with such persons as are shareholders of the company from time to time" in lines 34 to 36 on page 2.

In proposing motion No. 1, I should like to point out that as the clause now stands it is misleading and perhaps unintentionally dishonest, but nevertheless dishonest, by virtue of the language used. Line 11 indicates that the establishment of a corporation will provide "greater opportunities to invest and participate in the economic development of Canada". We have to realize that in some ways this corporation will provide less opportunity rather than greater opportunity. One of the proposals in this legislation is that more wholly owned Crown corporations and one partially owned Crown corporation be put into the hopper, which means in fact that the four corporations now owned by all Canadians are going to be put into one corporation that will be owned only by some Canadians. This seems a very regressive step, so it seems to be enormously misleading and dishonest to say we are providing opportunities to invest and participate in the economic development of Canada.

The greatest opportunity to invest and participate in the economic development of Canada is provided by doing what we have done in the past, by establishing wholly owned Crown corporations in which every Canadian can participate. To take away these Crown corporations that have been built up for good reasons over a number of years and to turn them over to a limited number of stockholders, is to sell out the interests of the vast majority of the Canadian public.

• (12:10 p.m.)

In September, 1968, a study was carried out by Professor G. R. Conway, of the faculty of administrative studies of York University, Toronto. It was commissioned by the Toronto Stock Exchange and called, "The supply of and demand for Canadian equities". The study comes to a number of conclusions and gives some interesting facts. I should like to read briefly from page 8. There is a reference to the number of Canadians owning shares. Right now, every Canadian is a shareholder in a Crown corporation but not every Canadian will be a shareholder in CDC, considering the provisions under which that corporation is being incorporated. It is interesting to discover who the new shareholders will be and what percentage of Canadians they will represent. We may gain some insight into this by examining the number of Canadians who now own shares and the number of Canadians who are in a position to own shares.

Let us be clear, Mr. Speaker. Most Canadians would like to own shares. If you ask any Canadian whether he would like to own shares he would say, "Of course, I should like to own shares in a company." To buy shares in a company you need surplus purchasing power, and that surplus purchasing power is not available to all Canadians, especially since almost a quarter of our population is living at or below the poverty level. When we talk about opportunities for buying shares, we are talking about a very limited portion of the Canadian population. The report I am about to refer to mentions that limited portion. May I now quote from the report, under the heading, "Number of Canadians Owning Shares":

The proportion of Canadian taxpayers receiving dividends has been increasing, from 5.3% in 1955 to over 7% in 1965—up about 30%. This increase is relatively more significant than it appears as 13% more of the population filed tax returns in 1965 than in 1955. In the United States the percentage of taxpayers receiving dividends in 1965 was 17%, reflecting the higher average incomes in that country.

If it can be assumed that tax returns filed are a reasonable indication of the proportion of the population over age 21 that receive dividends, then the proportion of all Canadians receiving dividends has increased from 2.7% in 1955 to 4.2% in 1964—an increase of about 55%. Projecting the figures to 1965 would

mean an increase from something under 300,000 adult equity holders in Canada in 1955 to well over 500,000 adult equity holders in 1965.

There has been an increase in the number of Canadians holding equities and in a position to buy equities. Yet the absolute number or percentage of such Canadians is very, very small. In a country with a population of slightly over 21 million, slightly more than half a million adults are in a position to buy equities, or roughly 7 per cent. Let us assume that the advent of $5 shares in Canada Development Corporation will open up more opportunities for equity investment; that is to say, that the corporation will be able to attract a larger number of Canadian investors than has been the case previously. Even assuming that this corporation takes over corporations like Polymer and Eldorado, the equities of which are 100 per cent owned by the Canadian people, and that 7 per cent or 9 per cent or 10 per cent or even 15 per cent of the people—which is double the present number—are able to hold equities in the corporation, that does not mean, as clause 2 suggests, that there will be greater opportunities for investment, because actual opportunities to invest are being withdrawn from the vast majority of Canadians.

I might say, Mr. Speaker, that the examination in committee of the Canada Development Corporation was not the finest hour of the Standing Committee on Finance, Trade and Economic Affairs. My criticism does not arise as a result of any change in the membership of the committee, and I am not suggesting that the committee did not work hard enough. I would not wish to leave that impression, because I have a high regard for the members of the committee and for the committee chairman. The point is that the government has so confused and befuddled the issue of Canada Development Corporation that no one, including the witnesses, knew what the heck the whole thing was about. Almost no intelligent criticism was possible with respect to this amorphous kind of thing that the government has produced.

I ask, why was this exercise necessary? Why did the government bring in Canada Development Corporation or an entity that looks like a Canada Development Corporation? It really is a big "nothing". It does not satisfy those who feel that there should be greater emphasis on government participation in the economy—we see the necessity for government participation in the economy—and who feel that our economy has gone so badly down the drain because of the failure of private entrepreneurship in Canada that the only real solution lies in greater public participation and public enterprise. This does not satisfy us at all. The corporation is to make profits. Its objectives are not compatible with national objectives and national purposes. The government is hamstringing the corporation from the beginning. It is hoped to interest investors by offering shares at $5; yet, after all, a man invests because he wants a return. If he does not get a return he will sell his stock. The objectives of the corporation cannot be reconciled with the national interest. Nobody can understand this measure. That was obvious in the committee hearings. The witnesses before the committee said, "If the bill means this, then we should do that; on the other hand, if it means something else, then we should be doing the other thing."

No enthusiasm has been displayed for Canada Development Corporation; certainly, there has not been the kind of enthusiasm that a good Canadian development corporation ought to deserve. After all, we have been waiting for this sort of corporation for seven or eight years. We have wanted a Canada Development Corporation. We have waited with great expectation and hope for the establishment of such a corporation. Yet the government has brought in this "fizzle", this great nothing, and does not seem to know what it wants to do. It is significant that one of the most telling criticisms of the government proposal has come in a brief submitted by the policy committee of the Toronto and District Liberal Association.

Some hon. Members: Hear, hear.

Mr. Saltsman: It is all very well for members opposite to say hear, hear. I want to see whether hon. members opposite will support the ideas of this brief. Are they going to say to those who submitted the brief, "You are nice boys, now go away; we are not paying any attention to you." A lot of intelligent thought has gone into this brief. It was brought to my attention by the hon. member for Don Valley (Mr. Kaplan). I read it with great pleasure. I will not say that the Liberals have stolen our ideas. I do not care where the ideas came from; that is not important. It does not matter whether we originated the ideas or whether they did. The point is that this group makes sense in a way that the government does not.

The government does not listen to us. They have a hangup about taking ideas from other people, unless absolutely compelled to do so. Why do they not adopt some ideas from their so-called grass roots? There is a good deal of talk these days in the Liberal party about new policy objectives, about how that party is making its conventions more democratic and about how the party is asking for inputs from around the country. Once in a while the party talks about participatory democracy. Where is it, I ask? Certainly, no attention was paid to this brief from the Toronto and District Liberal Association. I shall read from the brief, which is already on the committee on record, and the points it makes are very good. With reference to the subject of the amendment that stands in my name, page 3 of the brief reads:

The question should be asked whether a small group of investors who happen to have some surplus cash should profit from this government action, while the vast majority of Canadians would not profit.

• (12:20 p.m.)

There is a great deal more in this brief, but I just wanted to quote that part. They also say in their brief, and I quote:

We believe that CDC must not sell shares to Canadian public. We are at fundamental disagreement with the objective to sell shares in CDC to the Canadian public. We do not see the role of CDC as a sort of publicly sponsored private investment company.

One has to ask why the government brought in this strange kind of animal, the Canada Development Corporation. Perhaps the government is thinking of an election this fall and has to offer something more than the sorry performance we have seen in the past three years. They may need something glamorous so that they can go to the people and say that we now have a Canada Development Corporation. Perhaps the government does not want to do anything, and this is the way to take the heat off what is obviously a growing concern in this country about foreign ownership. This concern was expressed in the brief from the Liberal association and has been expressed by almost everyone in Canada except the members of the stock exchanges. This provides a clue.

In the study to which I referred earlier, "The Supply of and Demand for Canadian Equities", one of the conclusions reached is that there is a great need for publicly traded stocks in Canada. In other words, there is not a shortage of investment money in Canada. There is a great deal of investment money in Canada, but it is not being invested in this country because the stocks are not available. I think the figure used is that there is twice as much money available as there are stocks. I quote from page 40 of the brief:

> If their present rates of asset growth continue, and if the proportion of their total assets invested in equities increases, then the three major financial institutions—pension funds, life insurance companies and mutual funds—could be looking to invest over the next few years, an average, about $1 billion a year in equities.
>
> This estimate of potential demand excludes any net new purchases by other Canadian financial institutions, by Canadian corporations, or by Canadian individuals. It also excludes any consideration of net changes in the portfolio position of non-resident direct or portfolio investors.
>
> If the equity holdings of Canadian individuals increased at half of the rate of growth of gross national product, if other financial institutions just increase their Canadian equity portfolios at an annual rate of 3½% (approximately the average annual rate of growth in real terms of gross national product over recent years) and if there is no net change in the holdings of non-residents, then there would be an additional demand for an average of $300 million a year in equities. Again this figure includes possible demands for all equities, Canadian and foreign, and is based on constant dollars.
>
> The total average annual demand for equities in Canada would, therefore, be in the order of $1,300 million a year over the next few years. This projection may well be assuming too high a rate of growth—

It is obvious that the investment people need a place to put their money. The government is very conveniently taking away the investments of the people of Canada in their Crown corporations and, in many cases, people are embarrassed by a surplus of investment funds. This is very nice for the life insurance companies, banks and trust companies. It may even be nice for a few Canadian investors, but is not going to be good for the people of this country. It is going to be a wide step backward instead of forward. The Canada Development Corporation we had hoped to see is going to be used as an instrument for wrecking some of the proud corporations we have been able to build up over the years.

During the course of the committee hearings, the minister appeared as a witness. We asked him on what basis this form of privately oriented corporation had been developed, if other development corporations around the world had been studied by him and his committee, what they learned from those studies and whether papers had been prepared to back up their reasons for developing this kind of corporation. The answers were always vague. When the minister felt terribly accommodating, he would smile between puffs on his pipe and say "you believe one thing and I believe another", or words to that effect—In other words, we have ideological differences. At no time was there an adequate explanation of why this corporation was set up with so-called public shareholder participation as against a wholly owned corporation responsible to the people of Canada. The reply was based on ideological grounds. The minister felt that our position was ideologically oriented. Hon. members are far too concerned about the Canada Development Corporation to go to the wire over what form it is going to take. We are prepared to examine many different kinds of forms, but we want to be assured that the form in which it is developed will enable it to do the job it is supposed to do.

After asking questions about what corporations had been examined and the experience in other countries with development corporations, we were supplied with a 20 page summary of other development banks studied in connection with the Canada Development Corporation bill. I am grateful for this, although it is not research or a study in depth, but at least it is a study. The table of contents lists the various corporations studied. They are as follows, General Investment Corporation of Quebec, the Development Corporation Act (Manitoba), Australian Industry Development Corporation, Industrial Development Corporation of South Africa, Industrial Reorganization Corporation (Britain), Institute of Industrial Development (France), Nacional Financiera (Mexico), Institute for Industrial Reconstruction (Italy) and the Japan Development Bank.

With the exception of the General Investment Corporation of Quebec, none of these corporations in countries as diverse as South Africa, Italy, Mexico and Japan, have public participation. There is no prototype. There is no experience in developing this kind of corporation. On the contrary, all the experience that exists indicates that if you try to include the small investor in the picture with the national interest, as the government claims it is trying to do, it does not work.

The one example we have, the General Investment Corporation of Quebec, started out to do a job which was much needed in Quebec. In many ways, it has been a failure. This is the one example where an attempt has been made to sell shares to the public and match the national interest as well. It has been a failure. The price of the shares has consistently dropped because there has been no public demand for them. The corporation has tended to be immobilized because it does not know which master to serve, the stock market and the shares or the public interest of Quebec. It cannot do both. It is asking too much of a corporation to give it terms of reference of that kind. Maybe in the case of the General Investment

Corporation Quebec did it in this way in the hope it would work out. I believe most people who have studied the GIC now say it will not work.

• (12:30 p.m.)

Why, then, does the Government of Canada pick as its model the financing program of the General Investment Corporation rather than the model which is common in almost every country in the world which has had some experience of investment corporations? Why did they pick a failure? It is because they want the CDC to fail. They have a death wish. This applies to every government corporation they bring into being; it is their ideological hang-up. They hate public corporations, public enterprise, so much that even when they themselves set up a public corporation as their own child, they want to say: You forced us to do this, but we told you it would never work; that is socialism; public enterprise can never work. Mr. Speaker, they make sure it never works. They deliberately destroy the very things they set up and no better formula for the destruction of the CDC could be devised than the one which appears in this bill, an attempt to combine the public interest with the needs of the stock market.

It might be argued that Canadian investors are citizens and that they are entitled to be considered, that there are not enough stocks in Canada in which they can invest. But the solution to that is simple. Walter Gordon proposed it a long time ago. If there is a shortage of stocks in Canada and if Canadians cannot invest, then stocks could be made available by changing the law, by insisting that branch plants of United States corporations make a proportion of their shares available to Canadian investors. If the object is to satisfy the needs of Canadian investors, it could be achieved. This was done in connection with the Mercantile Bank. When a government is forced to act, it can act quickly. There is no need for a CDC to ensure that the stock markets of Toronto and Montreal are kept happy. We need a corporation to do what it is supposed to do, that is, develop the country, and the CDC cannot do that in the form in which it is proposed.

In Manitoba they have not made the same mistake. We in this party are proud of Manitoba, justifiably so, I think. This is one of the first development corporations whose administrations said they did not propose to give money away though they are prepared to assist. I think they have been very helpful to industry. I think they have gone out of their way to reassure industry that there is a place for it in Manitoba, that there is a welcome in Manitoba from the government of that province. But they have participated in an intelligent way. They have taken some equity in corporations because if the people of the province are to be asked to bring in finance and take risks, then surely they are entitled to some reward if those risks turn out well.

In Australia, which is experiencing the same problems as we have here in Canada in connection with foreign ownership, the Australia Development Corporation does not provide for public participation. The Industrial Corporation of South Africa is also set up in this way. One of the corporations which was brought to our attention was the Industrial Reorganization Corporation of Great Britain. The first thing which becomes apparent is that it is wholly owned by the people of Britain. They do not have shareholders from the public, and on the whole its work has been very successful. It has been one of the most successful corporations that the British government has established. It has encouraged mergers and industrial reorganization and although it has been subject to criticism, the one thing which has been said about it is that it has shown flexibility and initiative and encouraged industry to tackle some of the deep-seated problems of the country. I do not think anyone will be able to say that about the Canadian Development Corporation as it appears in this bill.

If all they wanted to see was an open-end or closed-end investment fund, surely we could have encouraged that in the private sector. We did not need a government corporation to do that because really what the government has created is little more than the sort of thing we already have in companies like Power Corporation. Power Corporation and companies like that are doing a reasonably good job in their field. There is no need for the CDC to get involved in that. But Power Corporation cannot do a good job in many other areas, and it is in these areas we needed the CDC. We needed a CDC which would be responsive to government policy, which would be flexible, which would not be hamstrung and which could act on behalf of the Canadian people rather than on behalf of a limited number of shareholders.

This government does not learn from anything. A few years ago they decided to set up the TELSAT corporation. Again, the objective was worthwhile. The hon. member for Davenport (Mr. Kierans) was then the minister responsible and his nationalism, his pride and his vision of the future came through very strongly when he appeared before the committee. He argued in favour of setting up a Canadian satellite system but one could see how uncomfortable he was when he proposed that this system be established not as a Crown corporation, not as something wholly-owned by the Canadian people, but under a troika arrangement—one-third of the shares would go to the common carriers and another one-third would go to the public. The public shares have never been issued, and they have never been issued because the public would not buy them. In order to induce the public to buy them it would be necessary to destroy the whole TELSAT concept; the corporation's profits would have to be guaranteed. The Government started off in a vague way, in a bad way, and they realized they could not go to the public for the financing of the corporation.

In a way, I am not too worried about what this legislation contains, though I am worried enough to argue about it, to try and get the government to change its mind. I know one thing. The kind of corporation which is being set up today does not have any great possibilities for success. It will not accomplish the purpose that many of us, including some of the supporters of this bill, are hoping it will accomplish and the bill will have to be

changed very substantially before any benefit will come to the Canadian public.

For these reasons, Mr. Speaker, I hope hon. members will consider some of the arguments I have placed before them in favour of amending this legislation so as to make sure that this corporation becomes the property and ultimately the pride of the Canadian people, rather than the special hunting ground of a relatively few affluent citizens.

• (12:40 p.m.)

Mr. Deputy Speaker: The Chair sees the hon. member for Edmonton West hurrying to his seat. Now he is there I will recognize the hon. member for Edmonton West.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I apologize to the House but the hon. member for Waterloo (Mr. Saltsman) did not flash the "minute signal" and I was expecting the parliamentary secretary to reply to the amendment moved by the hon. member. This is an amendment that was moved either by the hon. member or one of his colleagues in committee, and following a good deal of discussion of it the amendment was turned down.

Personally, I am opposed to the amendment; not that I have any favour at all for this bill. We intend to propose no amendments, to support no amendments and to support nothing in the bill. I feel this bill is such a bad job that there is no way we can try to flush out a cadaver. To use another simile, I have said many times that I believe the Canada Development Corporation is strictly a non-starter; that there is no way this particular form of corporation as proposed in the bill can be improved so as to make it a viable proposition. One would have to start again from the ground up, and given the shape of the bill it is impossible to do that.

However, the amendment of the hon. member for Waterloo does give the House an opportunity to discuss some of the principles of the bill. We referred to them in the second reading debate. I have before me *Hansards* for last January when the bill was debated on the first instance on second reading, and a goodly number of members participated in the debate from time to time. There is no question that the original debate displayed a certain flavour of concern about foreign ownership and so on; but as hon. members gradually realized that there was no question at all that in this or any other form the Canada Development Corporation would affect the nature of foreign or Canadian ownership of companies, the debate came back to a discussion of the particular form of corporation that was proposed.

Your Honour will remember that initially there was considerable debate about whether the government had brought in the bill in the right way. A procedural question was raised and a ruling was made. Although I have some reservations about the reasoning behind the ruling, the ruling is there and one must abide by it. Nevertheless, I hope the officers advising the Chair would review the material on which they based their decision, because as I say—and I say this respectfully—some of the reasons for the decision are somewhat suspect on a logical basis. I admit this is a new form of corporation and a breaking of fresh ground, but I do have some reservation about that particular decision.

In any event, the amendment moved to this clause by the hon. member for Waterloo reveals the difficulty that was expressed in the majority of briefs that were presented to the committee, even the brief presented by the Liberal Association from the Toronto area. They called into question the sort of paradox that exists in this particular bill. This was illustrated as well by the minister and his parliamentary secretary, in what has been interpreted as the widespread demand on the part of the Canadian public for participation by the more modest investor in a corporation that would assist in the development of Canadian industry and business and the maintenance of Canadian control, when both the minister and the parliamentary secretary said that it would be five years—in reply to a question at one time it was said that it might even be ten years—before the corporation had established what was called a track record in regard to earnings that would justify the government in deciding that the shares of the corporation should be offered to the public.

We are being asked to buy a real pig in a poke so far as response to public demand is concerned. We know it is there. The public is exercised about the degree of participation by Canadian investors in Canadian corporations and Canadian industrial and resource development. But the answer of the government has been to erect a two-headed monster, each of the heads opposed to the other in principle. First of all, the white paper on taxation made such investment more difficult and discouraged Canadians from owning and participating in Canadian business, particularly in competition with United States and foreign neighbours. It was not a case of Canadians being placed in an equal or more favourable position; the white paper, with its chaotic idea of equity among taxpayers, made investment even more difficult. I must say in parenthesis that I am absolutely astounded at the theories put forward by the hon. member for Duvernay (Mr. Kierans), formerly a cabinet minister, who wants to give strength to what I consider one of the two heads of this monster.

The second head was the Canada Development Corporation in which no opportunity will be given for public ownership and public participation for at least five or ten years, after being used as a sort of closed-end mutual fund and having established a kind of track record. This operation was to be based on four government Crown corporations and was to be established, on the one hand, with a view to public ownership. On the other hand, clause 6(1) provides that the corporation—

> —shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole.

Where does one reconcile public interest with the interests of the shareholders as a whole? What a classic example of the dilemma that is faced by a corporation such as this that is charged with acting in the public interest. There is nothing wrong with charging a corporation to operate in the public interest. Certainly, if it is

the public interest the Canada Development Corporation must serve then, to turn around and say that "there shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole", is to negate the public interest in many instances.

• (12:50 p.m.)

Let us look at a smaller version of the Canada Development Corporation. Its shareholding structure is different but its purpose is the same. I refer to La Société Générale de Financement of the province of Quebec and its recent experience with the lumber and plywood operations up at Maniwaki in the organization known as SOGEFOR. Initially, La Société Générale de Financement bought two or three lumber or woodwork operations that were going concerns which were making a profit. This is the sort of thing that the Canada Development Corporation should get into, something that has a potential for growth, some experience, and is in the public interest. But there was a changing situation; the market was not as good either for lumber or plywood. There were changes in the lumber permit, and this made it much more difficult to assure these woodworking operations of a steady supply of suitable wood. We found then SOGEFOR facing an entirely different situation of rather astounding losses.

But the town and district of Maniwaki were entirely dependent upon these industries. It was in the public interest to maintain regular employment for the bulk of the population. It was not in the public interest to let these men out and to place them on welfare. There is no other industry around, but la Société Générale de Financement, whose shares would be from $10 to $103 if they are ever quoted on the market, could not possibly absorb these continuing losses. So the company went to the market; the SOGEFOR operations were to be sold either to Canadians or to Americans. We saw there a classic example. La Société Générale de Financement, a company set up for the advancement and development of Quebec industry and Quebec control of industry, when the operations were losing money, was quite prepared to sell out to a New Jersey concern in order to get out of the situation.

Fortunately, that aspect is now academic and after some sort of almost Gilbert and Sullivan operation the Montreal syndicate that bought the concern have taken it over. Employment is much reduced, but the operation is continued. This is a very sad spectacle all around, and I have gone into this in detail to point out the immediate problem that would be faced by the Canada Development Corporation if it invested in any Canadian concern where the total of its participation and that of the others exceeded $1 million and it turned sour. The directions are that they shall be operated on the basis of profit and in the interest of the shareholders as a whole, but what about the public interest? Are the people who are working for this particular concern to be thrown out, put on the dole and the operation dismantled, or is it to be sold to the highest bidder who may be an outsider who can provide more capital and perhaps more expert management? Is that to be the role of the Canada Development Corporation? Nonsense, that is not what the operation will do. At that point we have departed from the principal idea of a true Canadian development corporation.

My party, after examining the proposals contained in the legislation, and without going into the details of the bill, finds it somewhat difficult to see how the government is going to get competent, interested people who will be able to take over this corporation and breathe life into the legislative bones that will be created through the adoption of this bill. I find this exceedingly difficult to believe. I find it exceedingly difficult to consider what would be the situation if Polymer or Eldorado or the Eldorado subsidiary, the Northern Transportation, but to a lesser degree, or Panarctic, should fall upon difficult days when the operations are not profitable. There might be a requirement, in the public interest, for the provision of further capital, the building up of reserves or that it should not declare dividends. In other words, there might be a requirement that it not be operated for the benefit of shareholders, notwithstanding the fact that this bill has the gall to say that the shareholders of the Canada Development Corporation will be those able to qualify under investments or insurance companies or trust and loan companies. That to me is the height of—

Mr. Deputy Speaker: Order, please. It being one o'clock, I do leave the Chair.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Lambert (Edmonton West): Mr. Speaker, there is very little of my allotted time left, and I would just like to indicate that my comments up to this point have been concentrated on what appears to be the paradox in the directions given by the government to the corporation through this legislation, that it should have some public interest but that its primary interest shall be for the benefit of the shareholders, and that it shall be based upon the profit motive.

I reiterate for the benefit of hon. members that they should refer to the evidence given before the Standing Committee on Finance, Trade and Economic Affairs, to the briefs that were presented by the Canadian Chamber of Commerce, the Canadian Bar, and other bodies and private individuals, although I must say not by a great number of people. In the light of what we had been given to understand was great public interest in having a Canada Development Corporation, and notwithstanding the wide advertising by the chairman of the committee about the reception of briefs and the possibility of presenting personal testimony, I was surprised that in large part the response by the public was a big yawn. To me this indicates a complete lack of concern about this particular type of corporation.

In conclusion, Mr. Speaker, I wish to say that we will not accept these NDP amendments because they are

trying to impose upon the corporation a much too narrow type of operation. If the amendments were adopted it would become a sort of public finance operation. This whole series of amendments is designed to make the Canada Development Corporation merely a government investment corporation, with no private interest in it. In other words, the members of the NDP disregard entirely any interest that the public might have as individuals in participating in the corporation. I think there is a role for the private individual in a development corporation, but it should have an entirely different structure from this. We will go into that on some other occasion. For the present, I say that we cannot support the amendments, and we certainly cannot support the bill.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, on rising to speak on this amendment standing in the name of the hon. member for Waterloo (Mr. Saltsman), I would say that he has drawn attention to the dichotomy of this bill, and while I cannot support his amendment I think he has pinpointed what is wrong with the bill. In my opinion, the Canada Development Corporation is destined to be another of the government's great failures. I have observed the results of other endeavours which have been poorly conceived, and I think the Canada Development Corporation bill falls in that category. There are at least three conceptual errors in the proposed structure and mandate of the corporation, any one of which in itself would be sufficient to preclude the realization of its presently envisioned aims.

The corporation's orientation is clearly nationalistic, as set out in clause 6(1)(d) of the bill. The adoption of this amendment would make it even more so. We come, therefore, to the philosophical enigma of what constitutes our national interest. I think we have only to examine the present scene to see the lack of unity amongst Canadians as to what is in the national interest. As a western Canadian, I note part cularly that many Canadians in the two central metropolises, Toronto and Montreal, are coming more and more to be exponents of the view that foreign investment in Canada is no longer as essential to our economic well being as formerly, but rather now constitutes a serious threat to our sovereignty. In contrast, we in western Canada, and I am sure the same is true for people in the north, see foreign investment capital as the only hope of developing our great natural resources, and relieving our dependency on eastern banks and financial institutions to provide us with the development capital without which the northern and western regions of our country can never reach economic maturity and diversity.

• (2:10 p.m.)

For my part, Mr. Speaker, I believe that where there is a broad consensus throughout our country that a certain industry or segment of our economy should remain under Canadian control, this consensus can best be served through the formation of government owned organizations of the kind represented by the Polymer Corporation. Moreover, I do not believe that such organizations when formed should seek financial participation from the public sector as the Canada Development Corporation proposes to do. I think there are a number of excellent reasons for separating private and public ownership. I believe that combinations of these have too many inherent difficulties which inhib t the resolving of disputes involving conflict between the profit motive, which is of necessity such a dominant concern in the private investment sector of our economy, and the concept of the public good or national interest wh ch government agencies are expected to use as their principal guidelines in making management decisions in the running of public utilities or other holdings.

Moreover, Mr. Speaker, it is not sufficient for Canada to become increasingly preoccupied with what the board of directors of the Canada Development Corporation might define as our national interests when we are so vitally dependent upon global interest for our economic survival. Let us for a moment examine the concept of national interest in reverse and suppose that the United States government decided for certain reasons that it was in their national interest to repatriate American owned automobile plants and related subsidiaries of them in Canada. What would happen to the industrial heartland of Ontario in such a situation? Conversely, is there not the very real danger that the existence of the Canada Development Corporation will dampen, or deter external participation in our economy because potential investors from abroad may fear they will be subject to take-overs or other hazardous action from the Canada Development Corporation at any time when the corporation's board of directors deems it to be in the national interest to move in on them?

The belief that the Canada Development Corporation will be a vehicle to enable the small Canadian investor to participate in the financial benefits of ownership in important and profitable Canadian companies is, at best, a spurious assumption. No evidence has been presented to show that there is a significant body of small investors in Canada who cannot find satisfactory or attractive opportunities under existing conditions.

I share fully the views expressed by the Canadian Chamber of Commerce during committee study of this bill. They were entirely dubious of any extensive participation in the Canada Development Corporation by the small investor. This amendment would indicate that this would be the result. Surely, Canadians with modest resources have no interest investing their few dollars in iron ore projects in Ungava or some other endeavour with benefits that are likely to be far too distant to appeal to them. Moreover, inflation, increasing levels of taxation and the creation of the welfare state are factors which all contrive to discourage people with limited means from saving. For them, the world of today and the satisfaction of today's desires are of much more interest than participation in ventures whose concepts and relevance to our national development are matters beyond their understanding or interest. The idea of the five dollar investor being one of the mainstays in the public offerings of the Canada Development Corporation is not, I suggest, something which

should be taken seriously. This, then, leaves the question of who will find investment in the corporation attractive.

It seems to me to leave two potential groups, aside from the government itself which will be under strong pressures of self-justification to participate in the corporation. In listening to testimony in committee on this bill by individuals knowledgeable about the investment habits and patterns of medium sized investors and the large institutional investor, I was not at all convinced, nor were many of these witnesses, that such investors would regard the Canada Development Corporation as the type of highly sophisticated, strongly profit oriented, conglomerate which could best serve their needs.

The principal reason for this reservation appears to be the spectre of governmental control which will always lurk over the management of the corporation. Investors will rightly wonder about the basis on which large financial commitments are to be made. Let us take the case of a province which is urgently in need of several hundred million dollars to develop a natural resource industry or a hydroelectric project and which is encountering difficulty in raising the money on the open market because of interest rates or exchange difficulties. It is not difficult in this situation to imagine the pressure which a province could bring on the federal government to have the Canada Development Corporation provide the needed capital through the purchase of provincial debentures, although such an investment might not be in the best interests of the shareholder of the corporation.

It is all very well for the Minister of Finance (Mr. Benson) to cite the provisions of this bill which enable the government to dispose of up to 90 per cent of the shares in the corporation, thereby reducing its participation to as little as 10 per cent. The fact of the matter is that this situation will be a long time coming, if ever. Even if it should come about, the government has provided further against its loss of effective control over the corporation by limiting the ownership of any other investor to 3 per cent of the share capital of the company, which at its maximum capitalization of $2 billion, represents an upper limit of $60 million of participation by any single company or individual.

In a normal public company, a shareholder who is dissatisfied with the management of the company is free to seek voting support for his position amongst other shareholders, but this will not be the case for an investor in Canada Development Corporation. Shareholders are specifically forbidden to vote in concert to express their disapproval with the corporation's policies or management. I cannot imagine why a sophisticated, large investor, of the type which the corporation will need to attract if it is to operate as envisaged by the government, would ever consent to placing his interests in such an unfavourable position when there are so many other excellent and truly democratic companies in which he can place his assets. I submit that the government has simply failed to look at this aspect of the Canada Development Corporation's operations realistically. While I can understand some of the reasoning behind the government's position on this particular question, I believe it merely serves to confirm the inherent difficulties of attempting to set up a huge conglomerate that will be responsible at the one and same time to political interests represented by governmental participation in it and private interests seeking the maximum return on their investment regardless of whether this comes from ventures with a high content of national interest.

Having seen and studied various socialistic economies, I remain an adherent of the free enterprise system. When a government enters a major area of economic activity, it seems always to do so on a far more costly basis than when the matter is left to private enterprise.

Let us consider the costs and quality of medical care in Canada, particularly since the introduction of a national medicare system. Can anyone really state seriously that the quality of medical care has risen proportionately—

Mr. Deputy Speaker: Order, please. I have been following the hon. member's remarks very carefully. He is making an important contribution to the debate, but I suggest with respect that he may be ranging a bit wide of the subject. The House has before it for consideration the first group of motions. It seems to me that the question with which these motions deal is the question of public corporations, such as Crown corporations, and corporations in which there would be private investment. With respect, I think the hon. member should not range into medicare and other matters.

Mr. Ritchie: I just wanted to point out that the high cost of medicare is an example of the cost of the type of large bureaucracy which this bill could well set up, Mr. Speaker. On the subject of administrative costs, I think we can easily imagine the size and type of administrative empire that will quickly spring from the existence of the Canada Development Corporation. If this amendment is passed, it will make this a completely government dominated corporation. It will be the largest single conglomerate in Canada, even before it becomes fully capitalized. When one sees the size of departments of government in Ottawa which operate on much smaller budgets, one cannot but shudder to think of the army of economists, research assistants, investment advisers and portfolio managers, policy developers, department heads, secretaries, typists, clerks and others who will be assembled to operate the levers and wheels of such a behemoth.

• (2:20 p.m.)

The Canada Development Corporation, Mr. Speaker, represents to me the continuance of the pattern of the present government of extending its powers further and further into the private economic sector of our society. The present bill is its boldest approach yet in this direction, and many important members of the private sector are understandably alarmed over its implications. There are, in my view, other places than the bedrooms of this country where the state does not belong. The free enterprise system is one of the most important ones.

I believe it is the duty of the government to provide a fiscal and monetary climate which enables and encour-

ages orderly and vigorous growth in our society. I do not believe that the government, including its agents, has any role to perform in the day-to-day management or operation of the private sector of the economy. Such a path is the path to state ownership of the means of production and distribution, and that concept of government is not acceptable to the Canadian people. I will vote against this amendment and I also intend to vote against this bill at third reading.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on motion No. 1 in the name of the hon. member for Waterloo (Mr. Saltsman). As hon. members will recall, it was agreed earlier today that the question will be put on the first motion. The Chair will put the question only on that motion at this time pursuant to that order. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the motion will please say, yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say, nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11) the recorded division on the proposed motion stands deferred.

In accordance with the order made earlier today the Chair will now put motions 3, 4 and 5. First, we shall take motion No. 3.

The hon. member for Waterloo (Mr. Saltsman) moves:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by deleting from Clause 6 lines 34 to 36 and substituting the following:

"and shall be carried out in the best interests of the people of Canada."

Next we will take motion No. 4. The hon. member for Regina East (Mr. Burton) moves:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by deleting paragraph (b) of subclause 2 of Clause 6.

Lastly, we shall take motion No. 5. The hon. member for Waterloo (Mr. Saltsman) moves:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by substituting in Clause 7(1) paragraphs (d), (e) and (f) the words "Canadian nation" for the word "company" in lines 9, 19 and 23 on page 5.

[Mr. Ritchie.]

If hon. members are in agreement, it seems to the Chair that the three motions ought to be amended. I think the record ought to show that Motion No. 3 was moved by the hon. member for York South (Mr. Lewis), for the hon. member for Waterloo (Mr. Saltsman), and seconded by the hon. member for Winnipeg North Centre (Mr. Knowles). With respect to Motion No. 4, the record should be amended to show that the hon. member for York South moved the motion for the hon. member for Regina East (Mr. Burton) and that it was seconded by the hon. member for Winnipeg North Centre. With respect to Motion No. 5, the record should show that the motion was moved by the hon. member for York South for the hon. member for Waterloo and that it was seconded by the hon. member for Winnipeg North Centre.

Mr. David Lewis (York South): Mr. Speaker, I am very pleased to move these motions on behalf of the hon. members whose names are on the order paper, partly because I was unable to participate in the debate on the second reading of the bill and partly because we, in our party, consider the issue now before the House as of extreme importance. This bill might have been one of the most important bills that this House has considered in over 100 years. Instead, in our view we have been presented with a bill which is a shameful distortion of an important and imaginative idea.

Some hon. Members: Oh, oh.

Mr. Lewis: It is a further sellout to private enterprise in this country and will destroy the possibility of control of the Canadian economy being regained not only by Canadian investors but by the Canadian people. My party made the suggestion for a Canada Development Fund. The idea was later developed into the Canada Development Corporation. The suggestion was first made and included in our first program at our founding in 1961. We made the suggestion because we felt that Canada was faced with four fateful and related problems. We were faced, first, with overwhelming foreign ownership and control of our economy, a problem that had to be solved. We were faced, second, with an unequal development of our economy across the country. We knew that there were areas in Canada which did not keep economic pace with the average development in this country. They were areas such as the Atlantic provinces, major sections of Quebec, parts of Ontario and, indeed, parts of other regions in this country. In a very real sense, in a sense that is true for countries in Africa and elsewhere, regions of this country are underdeveloped in relation to the rest of this country, with very serious consequences for the standard of living and well-being of people living in the Atlantic provinces, in parts of Quebec and in other underdeveloped parts of Canada.

We were faced, thirdly, with an economic problem in this country arising out of the fact that the foreign ownership of our manufacturing industry produced in Canada a branch plant manufacturing industry which was relatively inefficient, which produced duplication and

which was not specialized, as a manufacturing industry ought to be in a relatively small country like ours.

We were faced in this country, fourth, with the fact that Canada was almost entirely dependent on multi-national corporations for its research and development, the result being that the development in our own country of technology could not take place without reliance on General Electric or General Motors or any of the dozens of large, multi-national corporations that now control this country's economy. We faced these four major problems among many others. They were to do with the foreign ownership of our economy, the unequal development of the economy in Canada, the inefficient branch plant manufacturing industry and the lack of research and development in this country. We therefore faced the economic and, eventually, the political dependence of Canada on countries like the United States and, eventually perhaps, even Japan, those being the countries from which these multi-national corporations came. We are faced at this time in western social history with a new phenomenon, Mr. Speaker, that of the multi-national corporation which straddles the world, which literally straddles the globe and which has developed new techniques.

The multi-national corporation does not use methods as crude as were used by the old style imperialism, under which you took over a country physically and militarily. They take over a country now in a much more efficient and refined way. They do not bother taking over a nation physically; they merely take over the means by which the nation lives, knowing perfectly well that if you take over the means by which a nation lives you exercise effective control over the life of that nation. This is what the multi-national corporation means in the 1970's as it meant in the 1960's. It is a dangerous thing for the fate of freedom and the world.

• (2:30 p.m.)

I recently visited the city of Helsinski, Finland, where I attended the conference of the Council of the Socialist International, in which the NDP is represented. One major matter concerned the leaders present, including the chancellor of Germany, the chancellor of Austria, the prime minister of Sweden, the prime minister of Norway, the prime minister of Israel and men and women who were either in government, had just been in government or expected to be in government in a very short time. The major concern of these men and women from Europe, Asia and Africa was the evil result of increasing control of the world economy by multi-national corporations, centred mainly in the United States, but also centred in Japan, West Germany and in other highly developed industrial countries.

Canada, which is right beside the powerful United States of America and whose economy is to a large extent controlled by that economic giant, has a very serious problem to overcome. It must reduce and, if possible, eliminate or at least control foreign ownership and foreign domination of the economy of this country. This was one of the major purposes we saw in the Canada Development Corporation. We believe very strongly that the time is very short for Canada to become independent economically and, therefore, fully independent politically. No Canadian, regardless of what party he belongs to, can help but be seriously distressed at the attitude of this government and the ministers of this government if his mind, eyes and ears are open.

It is sometimes said that the Americans have taken over Canada. I have stated across this country and I want it on record in *Hansard* that I do not blame the Americans. For a century, Canadian business and political leaders have gone to the United States and begged the Americans to come into Canada and take over our resources. They pleaded with them to come and build manufacturing plants in our country. They told them, with that lack of self-respect and self-reliance which is typical of the continentalists and disastrous for this country, that we not only want and need them, but they are indispensible to us. This is what was said to the Americans. Because the governments of this country were not willing to make profits for the Canadian people, nor did the business men in this country have that objective, we were taken over in very large measure.

We said in 1961, and we have stated ever since, that there is only one way of making certain that we gain more control of the economic destiny of this country; that is to set up a mammoth, massive development fund under the control and management of government and Parliament. The funds would come from the undistributed profits and retained earnings of all financial and other large corporations in this country. By law, they would be required to invest a large proportion of their undistributed profits, retained earnings and reserves in this Canadian development entity for the development of this country. Instead government has produced this puny bill which we are now discussing and which is a distortion of a good idea. It has produced this abortion after seven years of gestation. I remind hon. members that Walter Gordon promised us the Canada Development Corporation in 1963. After seven years, this government has produced this stillborn, meaningless, mindless kind of legislation that has no place in our society, cannot accomplish anything.

What is it expected to do? It is to be a private corporation, not a Crown corporation or a public corporation. It is to have exactly the same objectives as any other private enterprise, namely making of profits. This will be its major consideration and motivation. It is to have exactly the same objective as every other private corporation in Canada with respect to a return to its shareholders. Only 7 per cent of Canadians have any money to invest in a corporation. The other 93 per cent are not investors. This is another bill which serves the interests of the private corporation and the interests of, at most, 7 per cent of Canadians who have enough money to make an investment.

What is the purpose of this bill? It is not going to repatriate any part of our economy. It is not going to deal with investment in the undeveloped parts of this country. It will not deal with rationalizing, specializing of manufacturing industries so that we can become a much great-

er force in the markets of the world than at the present time. It is not going to make funds available for research and development. Why in heavens name is it on the order paper except for the government to seek to fool the Canadian people into thinking that the government is doing something about Canadian ownership which, in fact, it is not doing? There is no other explanation for this deformed, mental aberration which the Minister of Finance (Mr. Benson) has produced on behalf of this government. It will do nothing except create another agency to help the private corporations which, God knows, need no help from this government or, if they do, receive enough help.

Some time ago I calculated the grants that are made to the private corporations of Canada out of the public treasury through the various programs. Most of these corporations are foreign owned. I calculated that over $1 billion a year of Canadian taxpayers money is paid to these large, poverty stricken corporations which we constantly help with incentive grants, capital grants, research grants, development grants and every other kind of grant imaginable. The government is putting $250 million into this agency for the purpose of giving more assistance to the large corporations, most of them foreign owned, which already control and in most cases choke the independence of Canada on the economic front.

Mr. Boulanger: What did they do for the country?

Mr. Lewis: They do not do anything that the country could not have done for itself.

Some hon. Members: Hear, hear.

Mr. Lewis: There is a myth which the Liberals and Conservative accept, that is that Canada needs foreign investment. The hon. member who made the interjection has not made a statistical computation. If the Minister of Finance, who knows better, were honest with Parliament and the people of Canada, he would tell us the truth. In the past few years, we have had a net loss as a result of foreign investment in this country. We shipped out of this country in profits, interest, management fees and licence fees more than is invested in direct investment from outside of this country. It is true that the foreign owned corporations are able to expand their control and they do, but they do that with Canadian money, not foreign money.

• (2:40 p.m.)

Recently, the Ryerson Press was taken over by an American firm. We lost it. Where did the capital come from to take over this Canadian company? It was not from New York or Chicago, but the money markets of Canada. Every dollar borrowed was borrowed on the Canadian money market to enable Ryerson to become a publishing house controlled by a large United States publishing firm. This is what has been happening in Canada. This nonsense about our needing foreign investment is a myth, a story which is told across this country by people who know better and which is innocently spread by people in this country who ought to know better. We do not need foreign investment any more. We generate the largest proportions of savings of any other western industrial nation. If those savings, and the investments which could be made with them, were channelled in the right direction and used in accordance with a public plan for the welfare of the Canadian people this terrible dominance of foreign capital would disappear in the course of a very few years. If at any time we were to require additional money from outside we should pass laws insisting that this money come in as loan capital, not as equity capital.

I would remind members of this House that Canada is the only western nation which has permitted foreign investment without limit, without rules, without permit. Every country in Europe, and even countries in Asia like Japan, have established rules with regard to foreign investment which require the investor to obtain a licence or a permit. We have instituted some rules in the fields of banking and communications but, generally speaking, we have permitted foreign investment to go on in the absence of any rules or permit requirement. The amendments I have the honour to move on behalf of my hon. friends from Waterloo and Regina East go to the heart of this legislation. We are, basically, advancing a proposition that this bill, poor though it is, that this corporation, amorphous though it is, be made to serve the interests of the Canadian people and not the interests of the shareholders and the profit-makers of this country. This, in essence, is what these amendments propose. I suppose the plea which we are making will go unheeded but I warn the government that recent events, electoral if you like, in Brant and elsewhere, recent indications in Gallup polls, show that a much greater awareness exists on the part of the Canadian people as to the economic situation of this country and a much greater determination to take control of our economic destiny.

I say to hon. members of the Conservative party from the west that there is no part of this country, west, east or centre, in which there are not thousands of Canadians growing daily more distressed by the continuing exploitation of this country by foreign-controlled interests. This is the first issue which the CDC should have been able to confront. But it will have no power to do anything with regard to repatriating any part of Canada's economy. The natural resources of this country will continue to be owned by foreign corporations, and those resources will continue to be shipped out in a raw or semi-raw state; and with that kind of export we export jobs, leaving the Atlantic provinces and parts of the west and northern Ontario with communities which are not viable, which cannot thrive. And when the non-renewable resources have been exhausted, when they have been taken out of the ground and shipped all over the world, the communities concerned become ghost towns. I have seen such places all over the eastern provinces and elsewhere in my travels across the country.

What will this corporation do to lessen the economic inequality in this country? Again, nothing. One of the reasons we proposed a Canada development fund in 1961 was our conviction, and it has proven more accurate every day, that the under-developed parts of Canada will

not witness the economic development they require on a basis which will serve the interests of the communities affected except the federal government be ready to invest directly in those areas and build industries which will be related to the lives of those communities, to the skills possessed by the people of those communities, to the welfare of those communities generally rather than, primarily, to making profits for shareholders. We have not done that for more than a hundred years. For over 100 years, and in 1971, we have been trying to attract private corporations, most of them foreign, to these under-developed areas by handing out carrots in the form of tax incentives, incentive grants, job grants, capital grants and so on. I repeat what I have said on the floor of the House on previous occasions: five, ten or twenty years from now we shall see a Canada just as unequal as it is today; we shall find the Atlantic provinces and parts of Quebec and Ontario and the West just as poverty-stricken as they are now, their citizens living in conditions as unfair as they are today, unless during the next decade or so we have the imagination and the courage to stop this candy-giving to private corporations, to stop this carrot-attraction of private corporations who in any case, will not stay unless they can make profits. Instead, there must be a plan for the development of the Atlantic provinces in particular, as well as of other parts of Canada, based on funds made available through public investment and subject to public control.

It was our notion that the Canada Development Corporation would join private enterprise, not replace it, in developing industries in the Atlantic provinces and other parts of the country; that it would be empowered to make direct investment in those areas and bring about a real change in the lives of the people in the Atlantic provinces and elsewhere. But this bill will do nothing to make such things possible. The corporation is not equipped to do anything about them. It is not intended to do anything about them.

The third objective we had in suggesting a development fund was to provide a means of assisting manufacturing industries to introduce specialization so that we could really become an effective country in certain areas in the export world. No power is given to the corporation under this b ll to do anything to help bring about the necessary rationalization. There is no intention to give it such power. If we are to rationalize the manufacturing industry, someone must have the power to step on the toes of foreign-owned corporations, the power to say some plain words to private enterprise, the power, the authority and the w ll to act on behalf of the people of Canada without kow-towing every day of the year to the corporate elite.

No modern economy can develop satisfactorily an area such as Northern Ontario, for example, along the lines with which we have become familiar in the past.

To use Northern Ontario as an example, large deposits of natural resources have been found there and still others w.ll be found in the future. The mining, the extraction, ought to be the least of the activities. One contemplates at once the development of smelting and refining of the ores, and then comes the development of manufacturing industries based on the natural resources of the locality. No country can develop that kind of community unless it has control of research and development within its borders and the kind of technological know-how and potential that Canada does not have except in the hands of the multinational corporations that control our economy. We will never be able to deal with these communities in Canada in a way that will make them viable communities, or be able to build secondary or even tertiary industry and develop the tourist industry in the Atlantic provinces, in Ontario, in eastern and northern Quebec and right across the country, unless this know-how is under our control instead of the control of foreign corporations.

• (2:50 p.m.)

This bill enables the Canada Development Corporation to do absolutely nothing in th's field. As the hon. member for Waterloo and other members who have taken part in the debate on this bill have indicated, we do not understand why the minister has brought the bill forward. I have often said, and I repeat, that the most important characteristic of the Trudeau government is a kind of technocratic neatness. Since this measure was mentioned in the throne speech in 1963 and has been repeated in every succeeding throne speech, this is why the government felt obliged to bring in a measure of some sort so as to make sure that the graph on the wall could show an x against this item indicating it had been been dealt with.

What other explanation is there for this misadventure entered into by the Minister of Finance and which this Parliament and the people of Canada are contemplating at this time? In all fairness, I see not one single objective that this bill can fulfil that private enterprise has not fulfilled, and has fulfilled well from its point of view but fulfilled badly from the point of view of the welfare of Canadians. This corporation will do exactly the same thing that private enterprise in this country has done for over 100 years. As I said earlier, the government is fooling the Canadian people into believing it is doing something to enable it to take control of Canada's economy.

The parliamentary secretary has been extremely kind to and co-operative with me this afternoon. May I return the kindness and co-operation by telling him before he speaks in the debate that if he repeats what the Minister of Finance said, that this bill would enable us to control our own economy, then he will be just as misleading and his argument will be just as fallacious as was the minister's. Because the corporation created by this bill will do nothing of the sort. It will not take us one single, solitary step toward controlling our own economy. This bill is an attempt to fool the Canadian people into believing that something is being done about foreign control of the Canadian economy, and this is a shameful thing to do with what might have been an important instrument of government and national policy.

The only other reason I can think of for this bill being brought forward is that the government is determined

that if there are areas where private enterprise might not be as ready to enter because profits will not be large enough, the taxpayers of Canada will make enough funds available so as to guarantee profits for those private enterprises which this corporation will assist. This is a shameful betrayal of the interests of the Canadian taxpayer.

I suggest to the members of this House, without making any apology for doing so, that it is this kind of legislation that shows the real difference between our party and other parties in this House. To people who shout at me: "You want a socialist Canada", my answer is that indeed I do; I want a democratic socialist Canada. If they think that by saying that to me I am going to be frightened and run away, let me say that the only reason for the existence of the New Democratic Party is that it is trying to persuade the Canadian people—and more and more is doing so—that they cannot have the kind of humane and decent society to which they are entitled to or make the kind of humane and decent contributions to the welfare of hungry peoples in the world that a rich country like Canada ought to make, unless our economy is based on foundations different from the present ones.

Our economy must be planned in the interests of the welfare of all Canadians, indeed the welfare of the whole world. We must realize that the natural resources that we are fortunate enough to have in such abundance in this country belong not only to one province but to the people of Canada; indeed, they belong not only to Canada but in some respects belong to the people of the world, and will enable us to build a peace based on genuine economic co-operation and social progress.

I make no apology for saying that we saw an instrument such as this as a Canada development fund into which large amounts of money were put by the requirement of law by large corporations out of their reserves. We saw an instrument such as this controlled and managed by Parliament through its necessary agencies. We saw an instrument such as this as an essential part of the planning machinery of this country, as an essential part of repatriating our economy, as an essential part of developing the underdeveloped areas of Canada. We are heartbroken and angry beyond words with this government for the shameful way it has done everything domestically since the Prime Minister (Mr. Trudeau) came to power. It has again destroyed an instrument that might have been of immense good to the people of this country and has again shown its complete reliance on a partnership with the most selfish interests that exist in Canada, indeed in the world.

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, would the hon. member for York South (Mr. Lewis) allow me to ask him a question?

Mr. Lewis: Of course.

Mr. Cyr: Mr. Speaker, the hon. member just stated that he wished a socialist democratic Canada, for the well-being of the people. Would he say if he would invest part of his savings in the Canada Development Corporation in order to insure the well-being of Canadians?

Mr. Lewis: Mr. Speaker, I did not understand everything the hon. member said.

Mr. Cyr: Mr. Speaker, I asked if the hon. member would invest part of his savings in the Canada Development Corporation in order to insure the well-being of Canadians?

Mr. Prosper Boulanger (Mercier): Why don't you put in some of your own money?

Mr. Lewis: Yes, yes, I understand

Mr. Speaker, the answer is simple. If the investments of either a corporation or an individual have made profit their sole objective, then such investments will not be in the interest of the Canadian population.

Any investment that is aimed at assuring the welfare of the Canadian people is the kind of investment that has as its objective the production of consumer goods required by the people, such as housing units, for instance, where profit could be one but not the prime objective.

That is my answer. I see no use in investing money as the hon. member has suggested, merely because we know it is private economy, as we have known for years, that has caused and is still causing unemployment, housing shortage, poverty and disparities all over Canada, and I do not want this type of society in my country.

Mr. Henry Latulippe (Compton): Mr. Speaker, I shall say a few words about the motion brought forward by New Democratic Party members and also about the projected corporation. We have a great deal to say in this respect, Mr. Speaker.

I believe myself duty bound, before broaching the matter, to say that the corporation will not perform the services anticipated. Canadian citizens do not need such a corporation for the development of their economy.

The aid of the corporation, Mr. Speaker, is to increase production, to organize major industries for the purpose of constantly increasing production. We are now witnessing the effects of the problem. We have no production problem and the Canada Development Corporation will assist only companies having no financial problems or able to find elsewhere the capital they require. In fact, the government will assist firmly established and viable companies, or it will create new corporations with an enormous amount of capital which will be supplied by Canadian people who are already in need of it.

Earlier, the leader of the New Democratic Party (Mr. Lewis) said that only 20 per cent of the people could save money. If we are to establish this big corporation, we are going to take the savings of those who were able to put money aside, and we will take money from small industries which need it. In fact, this will be the end of small firms, because big concerns are going to control everything. They will be involved in every aspect of production because of their huge amount of capital and they will destroy small and average concerns.

Mr. Speaker, we are now witnessing the collapse of the small and the medium-sized companies. Among the latter, some are no longer able to survive, because they have too many debts, they are over-taxed and they are not allowed to sell shares to finance themselves. They must borrow needed capital and those loans must be paid back, at which time they are said to be profits. So, they have to pay taxes on reimbursements, contrary to the big corporation which never has any reimbursements to make. The big corporation will win out in competition with the small company because it will have every facility to obtain capital, by taking it away from the small companies already in need of it.

I am not dead against the establishment by the government of this corporation which should be an agency with new capital to be used only for new ventures. For the good of the people these new investments should be made available to institutions at administrative costs. This would bring prices down and we would have corporations able to produce and compete with any other country in the world. However, these big corporations should only produce goods that small companies cannot produce, because it is too hard for them. There would then be one or more different corporations, and all current capital or savings would be left to the small and medium enterprises.

The federal and provincial governments, or at least several of them, have set up similar corporations that wheedle what little savings there are, thus depriving those who need that money. That is why we are witnessing the disappearance of small and medium industries: they cannot find the capital they need.

Mr. Speaker, the citizens prefer buying shares in government organizations rather than private industry, because they have more guarantees. Indeed, the state centralizes, takes over control, and causes the small industry to disappear, although it too has the right to exist.

Since the corporation will be used to draw all existing capital and take it away from small concerns, we will have to vote against the creation of that huge state corporation which will gain control, even if it is said that it will finance private enterprise or help firms already in existence. However, the companies which the government wishes to assist have the means to find capital through the issuance of shares and bonds, while small concerns are unable to get listed on the Stock Exchange.

In the province of Quebec for instance, since the Bombardier Company has become powerful enough to become a member of the Stock Exchange, its problems are over as it can do anything. No company of that kind experiences financial problems. Therefore why set up corporations to finance such businesses that have no financial problems? People who really want to help others help those who are in need not those who are well off.

Small businesses are the ones in need. To be logical, they are the ones the government should help. It should guarantee to those businesses the purchase or sale of their production. If the government did that, we would get all the necessary production out of the small and medium-sized businesses.

Now there is a lack of balance, jugglings, bankruptcies of all kinds, small and medium-sized businesses are vanishing because they have to deal with the victims of a systeb they are unable to pay.

A good number of citizens are unable to pay. So they buy without paying and they go bankrupt. Therefore industry has to put up with all those losses. It is a victim of the system.

The government must give industrialists the guarantee that there will not be any more victims of that kind, it must guarantee the pay the same way it guarantees exports, which would enable the industries to operate. Should production be needed, the only thing to do would be to specify the kind of products we want as the industry is organized.

We have all the technology we need to enable those businesses to operate and the state is there also to provide that technology. If we have too little of it in Canada, we have as neighbours the United States, which have at their disposal numerous technical resources on which we can rely at any time.

If we are short of it, we can import technical capital from the United States, to help us develop our industries. But we are not short of it, for we have at hand all the products we need in Canada. We have all the engineers, technological data, labour force and means of transportation that we need. We are only short of capital funds and we should avoid making them available to large centralized industries.

Such centralization leads to socialism and to the elimination of small businesses. None of our large state undertakings are able to produce at the same cost as private enterprise. Experience teaches us that public enterprise costs much more than private enterprise, since people do not assume the same responsibilities in one or the other.

In private enterprise, people take their responsibilities more seriously, whereas, in public enterprise, they could not care less. And when repairs call for shut-downs, the doors are simply shut down until completion, which means that production suffers and the cost of the products increases. I do not believe that the minister can convince us that public enterprise is in a position to manufacture products at a cost as low as that achieved by private enterprise.

The large private firm can do better than its public counterpart. There are small and large private firms and we should—and this must be sacred—first, help the small firm by all means available. If the funds available for the establishment of large corporations designed to increase production were allocated to the private sector, the results would be ten times better. It has been said that this will not be a state enterprise but a private firm; we shall begin by helping corporations which can fend for themselves and which need no help to prosper. After that, we will look after state enterprises because, owing to taxes and levies, no private firm can succeed in reim-

bursing the taxed capital and paying for the fringe benefits which it must provide to its employees.

The small enterprise, the small manufacturer is facing all the conomical problems. It has to finance all the plans and programs which the government is forever coming up with.

I am pleading in the name of the small enterprise which has a right to exist. It should enjoy all possible consideration from the state before it can mesh with larger socialist organizations and large centralized enterprises. We must decentralize and guarantee to the small firm the outlets and the capital required. We will thus get better results than these giant corporations which will finally eat up the small ones.

• (3:10 p.m.)

[*English*]

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the Canada Development Corporation has received considerable public attention over the years and particularly concentrated attention in recent months. The government has listened closely to the discussion and has prepared a bill which reflects this informed deliberation.

The concept of the bill was discussed informally as long ago as 1963. The bill before us received first reading in this House on January 25 and second reading on March 3 after a very thorough and comprehensive debate. The public was then invited to submit briefs to the Standing Committee on Finance, Trade and Economic Affairs. The committee received numerous briefs and letters and heard a number of witnesses including the Minister of Finance (Mr. Benson) and representatives of the Investment Dealers' Association of Canada, the Canada Chamber of Commerce and the Canadian Bar Association, as well as several private individuals.

There is no question that there is broad public support for the Canada Development Corporation. Equally, there is no question that almost everyone has his own personal vision of the Canada Development Corporation. As the amendments before us and the speeches supporting them from the NDP indicate, that party has quite a different vision of the Canada Development Corporation from that of the government. I might say that the official opposition appears to have no vision of it at all, the Social Credit party, with its own firm belief in certain cures for all economic ills, has a view of its functions that do not accord with those of the government.

Constructive suggestions were received in the briefs and made by the witnesses appearing before the committee, and further comments were received directly by the minister. Government officials have discussed the bill with concerned persons including representatives of the stock exchanges. The government was able to take all these views into account in supporting amendments made at the committee stage. I shall return to these in a few moments. Notwithstanding all the public discussion there are still some widely held misconceptions about the CDC, misconceptions obviously shared by hon. members opposite. I would like to restate briefly the government's position on a few of the major issues in the hope of clearing up some of these m sconceptions.

It has been suggested that the objects of the corporation are too vague and that its board of directors will lack direction. Hon. members will appreciate that the CDC as proposed in the bill will be a statutory corporation and that its objects can be changed only by act of Parliament. The CDC will operate, with few and necessary exceptions, under the Canada Corporations Act and will be competing with other corporations in the private sector. The objects of the CDC are deliberately broad. Restrictive terms would hamper the CDC's mandate to fulfil its purpose as set out in the bill. The directors must be free to establish new policies to meet new situations. In this respect the CDC will be on all fours with other successful Canadian corporations.

Some critics of the bill question its timing. They say the CDC should operate within a framework of defined government policies on industrial development and foreign ownership, and should not be created until such policies are defined. The government is not presently planning to make an over-all, embracing statement on industrial policy.

• (3:20 p.m.)

Existing government programs establish the government's interest in developing, among other things, a strong manufacturing sector, a distinct Canadian communications industry, and in encouraging resource development, particularly in remote regions of Canada. These programs provide ample definition of our industrial policy. I expect that the government's statement on foreign ownership will be issued before the CDC is operational. However, the CDC's Canadian orientation is quite clear from the bill itself.

The primary role of the corporation will be to help shape and secure the future rather than to recover the past. In the words of the bill, the corporation will "help develop and maintain strong Canadian controlled and managed corporations in the private sector..." The corporation will take into account this objective in considering its various investment opportunities. Whatever our foreign ownership policy may be, the CDC will not be a buyer of last resort. The CDC is a positive step in promoting a greater Canadian presence in industry by pooling capital and entrepreneurial skill, and by encouraging the rationalization of Canadian industry.

Much has been said in and out of Parliament about the danger of conflicts between the national interest and profitability. Others seem to feel that the two are irreconcilable. The government rejects that contention. It is said that the board will tend to be influenced by the former at the expense of the latter, by national interest at the expense of profitability. As a statutory corporation, the directors of the CDC are obliged to pursue the objects of the corporation which, as the bill states, "shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole."

A dynamic private sector in which there is a greater Canadian participation is clearly in the national interest.

Through the CDC, Canadian entrepreneurs, investors and managers may significantly influence the future development of Canada for their benefit and the benefit of all Canadians. I was indeed gratified to have the confirmation of the hon. member for Waterloo (Mr. Saltsman) that in fact a great deal of Canadian capital exists and is waiting for good investment opportunities. The CDC will surely be one of those.

Some critics of the CDC concept believe that any government participation in the corporation will be synonymous with interference in its operation. The best protection against such interference is a strong and independent board of directors chosen from the private sector. The bill explicitly contemplates their independence. I am confident that as soon as the CDC is incorporated a strong board will be readily formed and will assert its independence.

Initially, Mr. Speaker, the government will be the sole shareholder, and it will always be the largest single shareholder. Because of the significant role that the corporation has been given by its purposes and objects, the government will want to show a continuing interest in it and it is expected that the government will always want to hold at least 10 per cent of the voting shares. It is also likely that the government will always have some elected or appointed directors on the board. Thus, it will always be in a position to exercise the degree of influence on the over-all policies of the corporation appropriate to its shareholding. However, to underscore the importance that the government attaches to achieving the maximum possible degree of ownership of the CDC by the Canadian public, the corporation will have the right to reduce the government's holding of voting shares down to 10 per cent.

As I mentioned previously, the government recognized the merit of suggestions brought forward at the committee hearings and through other channels and certain amendments were introduced during the committee's clause by clause study of the bill. For example, clause 16 of the bill, which deals with eligibility and declaration requirements of shareholders to ensure that voting shares would be held only by Canadian citizens or residents and that the shares would be widely distributed, was amended to privide greater ease of sale and transfer of shares among the public. The Canadian Chamber of Commerce and the Investment Dealers' Association of Canada in their briefs called attention to the need to ensure that these shares would be readily traded.

Legislation now before the House in Bill C-193, an act to amend the Northern Canada Power Commission Act, proposes that the commission's rate structure should only produce a revenue which is sufficient to meet expenses and maintain a contingency reserve fund. The commission will, therefore, not have a profit orientation and will not be a suitable investment for the CDC. Reference to the Northern Canada Power Commission has therefore been deleted from clause 39 of the bill.

Paragraph 2 of schedule II of the bill was revised to provide for quarterly net asset valuation rather than daily valuation as originally proposed. It had been pointed out that daily asset valuation would be an unnecessarily onerous task for the corporation. On the other hand, quarterly valuation of the corporation's assets is in keeping with good disclosure practice. Other amendments moved in committee tidied up clauses to help ensure their clarity, and yet others take into account amendments to the Canada Corporations Act which came into effect on March 31. The government appreciates the effort and concern that went into the preparation of the briefs submitted to the committee, as well as the contribution of the committee members in improving the bill.

Reference was made in the debate today to institutions in other countries which some hon. members deem to be parallel to the CDC. Just as every Canadian and certainly every Canadian political party has its own vision or lack of vision, as the case may be, in respect of the CDC, so every country has its own particular needs in its own financial institutions. One that was mentioned was the Italian body, the Institute for Industrial Reconstruction. That was a body created to restore bank liquidity. Italian industry had been heavily financed by bank loans, and when the industrial recession of the mid-1920s hit Europe bank liquidity was badly impaired and accordingly the Italian government constituted the Institute for Industrial Reconstruction, which really performed the functions of long-term lending institutions that were lacking in Italy and that had hitherto been performed by the commercial banks.

Similarly, in Japan the origin of the Japan Development Bank lies in the reconstruction period immediately after the last war when long-term credit was needed to rebuild heavy industry in that country. Today, the Japanese Development Bank still concentrates in the area of heavy industrial development and does not perform a function parallel to that conceived for the CDC. Another one mentioned in the debate was the Australian Industrial Development Corporation. Again, the need for that institution was peculiar to Australia. There was no long-term debt money available in Australia commensurate with the needs of Australian industry and the institution was created specifically to go out of Australia, with government credit, and borrow money that might be available for investment in Australian industry. Foreign debt capital just was not coming into Australia, again not comparable with the Canadian situation.

In the case of the General Investment Corporation of Quebec, which has been cited by members of the official opposition as an example of why the CDC should not be proceeded with, and on the other hand the objectives of which have been cited by members of the Social Credit party as those which the CDC should pursue, we had a situation where investments were made by that corporation for what were regarded as national or social priorities in the province of Quebec. The experience of that institution is one of the reasons why the Canada Development Corporation will be placed in the hands of a very independent board of directors, because when social or political objectives intervene in business decisions, business judgment suffers.

Canada Development Corporation

• (3:30 p.m.)

Mr. Speaker, the Canada Development Corporation will provide a unique, important, major new financial institution in Canada. The need for it is recognized by most Canadians, the government is confident that the concept is right and that the kind of people necessary to make it work will be very readily available just as soon as Parliament creates the corporation.

Mr. Max Saltsman (Waterloo): Mr. Speaker, I listened with considerable interest to the parliamentary secretary as he spoke about development organizations in other countries. There is one point on which I agree with the parliamentary secretary, that every country has unique problems and therefore tends to develop corporations to take those problems into account. No one suggests for a moment that the problems of Australia, South Africa or Mexico are the problems of Canada. If we look at other development corporations we find that in some ways they were organized to deal effectively with the problems in their particular countries.

Our criticism of this legislation is that the Canada Development Corporation is not designed to take into account the problems of Canada. We are not saying that the CDC should be organized like the others; we are saying that in fact it will not deal adequately with the problems which exist in Canada. The only problem it would seem to deal with—the parliamentary secretary referred to this—relates to the fact that savings will be available for investment opportunities and the government will satisfy the desire of Canadian investors to have a place in which to put their money. It would seem that the government is going to take the corporations which are now Crown corporations, owned by the people of Canada, and give them to the CDC to satisfy this investment urge. This is a pretty shoddy kind of objective for a development corporation. One would think that is the only problem facing Canada. If it were, perhaps the CDC would make some sense.

The greatest problem facing this country, as far as investment and development are concerned, is the high proportion of foreign ownership. Yet the terms of reference of the CDC say it is not there to buy back control of Canadian companies or to deal with the problems of foreign ownership which the government says it will try to deal with in some other way. So it would appear that the CDC is not set up to deal with the problems we face.

Another problem is that of industrial inefficiency. I see the Minister of Industry, Trade and Commerce (Mr. Pepin) turning a rather baleful but, as always, friendly eye in my direction as if he wonders what I am going to say next. The minister knows as well as I do that we have one of the most inefficient industrial structures in the world. We have infinitely more capital at the disposal of our workers, but we are 30 per cent less efficient than the United States. The inefficiency arises, not because Canadians do not work as hard or because there are not enough brains here but from what is essentially a bad industrial structure through less specialized plants. The branch plant approach of the Canadian economy, with tariffs and the desire of American international corporations to locate here, has forced upon us an industrial structure that is not suitable to our economy nor our population.

In many speeches both inside and outside this House the Minister of Industry, Trade and Commerce has pointed out the difficulties facing Canada in terms of rationalization of the chemical industry, the rubber industry, the white goods industry and many others. These are industries with heavy investment from foreign corporations; almost every one is characterized by foreign ownership. That is one of the great problems that we have in Canada.

Mr. Pepin: Not necessarily.

Mr. Saltsman: No, not necessarily; but I will come to that later. The point is that with the exception of the resource-based industries—which is a horse of another colour—most of the industries characterized by this inefficiency are essentially foreign-owned. If we believe that this is a problem, and I think the minister admits that it is, how are we to correct it?

One statement made in connection with the CDC is that when it is set up it will be in the business of forming new companies either through mergers of existing ones or starting from scratch. One of the few successes in this approach has been the British approach to rationalization because it has not attempted to get public investment participation. In order to accomplish such mergers you must have a very free hand, enormous flexibility, and not have to answer to the stock market or the investors in the corporation. If you have to answer to the profit motive, you cannot carry out your purpose.

This is an area that is crying for attention in Canada, an area which is acknowledged to be difficult by the Minister of Finance (Mr. Benson) and others. Yet the corporation set up to tackle this problem will not be able to do it unless the national interest and the profit interest coincide. There may be a situation where a merger could be put through to provide the kind of profitability called for by this bill, but it is not possible in the majority of cases. To limit the activities of the Canada Development Corporation in such a critical area is foolhardy and is an enormous disadvantage to this country.

The hon. member for Mercier (Mr. Boulanger) interjected earlier in this debate. He is not in the House now. I wish he were because I have something to say to him. I have known him for a long time and I am very fond of him. We served together on the Standing Committee on Transportation and Communications and in the course of its hearings we toured western Canada together. I have a great deal of respect for him, but he interjected in the most inane way in this debate when he asked, "What will we do without foreign ownership?" Mr. Speaker, that is typical of the thinking of people on the other side of the House—reasonable, intelligent people in some cases and I think even reasonably well-intentioned people. They have been brainwashed by their own silly philosophy and actually believe that we cannot exist without foreign capital, despite all the evidence to the contrary.

On one occasion when making a speech out west even the former Prime Minister, Mr. Pearson, said that if

Canada tried to do without foreign capital, the price would be a 25 per cent to 30 per cent lower standard of living. That was absolute nonsense, but it has been adopted by the other side of the House. Where is the evidence to suggest that we cannot manage without foreign capital? The suggestion from the other side of the House that some countries which have done much better than Canada, in terms of economic growth and development, have done so with foreign capital is not true. The countries that push us into third place in terms of standard of living are characterized by an absence of foreign capital. Those countries are Sweden and Switzerland. If foreign capital is so vital to development, surely there should be evidence that large amounts of foreign capital were poured into Sweden and Switzerland in order to improve their economies. No such evidence exists.

• (3:40 p.m.)

An hon. Member: Remember, those two countries did not suffer because of the last two wars.

Mr. Saltsman: As I say, no such evidence exists. And remember, Mr. Speaker, that both those countries have far less in the way of natural resources, far less in the way of power potential and far fewer natural advantages compared with other countries.

An hon. Member: Those countries did not suffer in World War I or World War II.

Mr. Saltsman: Let us consider a country that was involved in World War I and World War II. It was certainly involved in World War II. I am speaking of Japan. Japan has fostered a most successful rise in the development of its economy by deliberately excluding foreign development.

Mr. Lambert (Edmonton West): And by excluding foreign products.

Mr. Saltsman: And by excluding foreign products, perhaps. Development in that country is far in excess of development in this country.

What are the really efficient industries in Canada? Of which industries are we most proud? Which industries require the least amount of tariff protection? Leaving aside the resource industries for a moment, you will find that the most efficient industries in Canada are those developed either by private or by public Canadian entrepreneurship. The steel industry, which is largely Canadian-owned and remains in Canadian hands, is among the most efficient industries in the world. Our beer industry, which has remained in Canadian hands, is among the most efficient of its kind in the world.

Mr. Francis: Mr. Speaker, may I ask the hon. member a question? The hon. member has referred in praiseworthy terms to the Japanese example. Does he feel that the kind of labour movement that has existed in Japan since the last world war is one that he is prepared to commend to Canadians and to those who support his party?

Mr. Saltsman: I do not understand the point of that question. The hon. member seemed to draw the inference that the Japanese are in some way oppressed. The Japanese economy is badly misunderstood. The level of wages in Japan is not so low when you take into account all the fringe benefits that are given to their workers. Japan has not prospered through paying its workers low wages. It may be true to say that wages in Hong Kong are low. To imply that Japan's success rests on low wages is nonsense.

The Japanese rise has come from technical excellence. They have developed some of the most efficient industrial structures in the world. They do not depend on cheap labour; that is not the basis for their growth. I am not suggesting that we adopt Sweden, Switzerland, Japan or any other country as a model. I say that you cannot automatically equate foreign investment with growth. That is what the Liberal party has tended to do. I am merely saying there is no evidence to support that argument. On the contrary, foreign investment has probably reduced our standard of living. I see hon. members shaking their heads. They are victims of the kind of mythology that is espoused by the Liberal party.

Some hon. Members: Oh oh!

Mr. Saltsman: They find it impossible to have confidence in the Canadian people. They do not think that we can develop this country unless foreign investors do it for us. We are one of the richest countries in the world, and in a most shameful way hon. members suggest that we should say to foreign investors, "We cannot develop our industries and the resources that nature gave us. Would you please tell us how it should be done?" That is ridiculous. There never was any need for it. Perhaps some of our industries have got off the ground a little faster through being helped by foreign investment. Nevertheless, in the long run the intrusion of foreign investment in Canada has lowered our standard of living. It will destroy our economy unless we do something about it. That is what we ought to be concerned about.

Let us consider what we do well in Canada. First of all, many efficient industries in Canada are under public ownership. Let us compare these industries in Canada with their counterparts in the United States. Compare our medical services and their availability in Canada with those in the United States. There is no comparison because we are so far ahead. In hospital services we are far ahead of the United States. Provinces which have introduced no-fault insurance or publicly-owned insurance schemes are the envy of people in the United States; Americans come here and tell us that.

Let us consider the CBC. Although we criticize the CBC—and it is far from perfect—the United States wishes to set up a similar body. They are talking about a similar kind of broadcasting system because they are dissatisfied with the crassness of their commercial system. They know that the CBC is good. Look at Polymer Corporation. That is an ideal model of a Crown corporation. Originally begun in wartime to satisfy a specific need, it went on to stand on its own feet and justify its existence.

Another company that may be taken over by the CDC is the Northern Transportation company, another model of its kind. It has not raised rates for years; it provides substantial profits to the treasury and gives good service in the northern areas, service that could not be provided by others. Look at our transportation system. One of the built-in difficulties in this country stems from a relatively small population spread over vast distances. I have criticized our railways; I think a great deal is wrong with them. But when you compare our railways with those in the United States you will see there is no comparison. Ours do a better job. This applies particularly to the publicly-owned railway. Despite our criticisms, it has operated in the public interest to a far greater extent than has the CPR, and certainly to a far greater extent than have the American railways.

Air Canada is another example of which we can be proud. We took over this airline because private industry did not want it, although once we proved that a national airline could be profitable, private industry began clamouring for a piece of the cake. We do not require Canadian Pacific Airlines. There is no need for it. Air Canada is one of the finest airlines in the world. It has an outstanding record. Although this year, after a long time, it has shown a loss, the loss is insignificant compared with losses being shown by United States airlines which are in serious trouble under private ownership.

I am trying to show that many of the most efficient industries in Canada are under public ownership and those areas of endeavour have remained to a large extent under Canadian ownership. Somebody said what we need today is a C. D. Howe rather than a CDC.

Some hon. Members: Hear, hear!

Mr. Saltsman: Some of the efficiency of the steel industry can be attributed directly to C. D. Howe's insistence on its expanding and developing. Polymer Corporation stands as a tribute to his foresight and imagination. We need more of that today. I regret to say that foresight and imagination are qualities seriously lacking on the government benches. Those attributes were seen briefly in some on the government benches but are seen no longer. The hon. member for Duvernay (Mr. Kierans) had to resign from the cabinet in order to speak of some of the truths that he saw.

Earlier in the debate the hon. member for Gaspé (Mr. Cyr) asked my leader whether he would invest in the CDC. He put the question in a way which implied that Canadians were breathlessly waiting to invest their $5 in a corporation such as the CDC and that was the only opportunity they would have for investing. I find it difficult to understand why an intelligent man would assume that. What does he think we have been doing for 100 years? We have all been investing in Canada. Everyone of us who pays taxes invests in Canada. The corporations I described earlier are all investments in which I and millions of Canadians have participated.

It is a great joy to me, and I am sure this is true of other hon. members, to welcome students and others from my riding to this beautiful building, this magnificent House of Commons of which we are all so proud, and to say, "This is your building; it belongs to you. All these carvings belong to you. All this represents the investment of my generation and of previous generations, and your generation will continue the investment in these things." All who pay taxes and contribute through productive work make an investment in this country. We do not have to wait for the Canada Development Corporation, with its five bucks, to be reminded that there are investment opportunities in Canada. Rather than trying to distort a development corporation, we should try to induce people to invest in the most unselfish of all motives, and at least give the Canadian investor the opportunity to invest as in the past, although there has not been as much investment as I would like to have seen.

• (3:50 p.m.)

The way to do this is to ensure that the Canada Development Corporation is a Crown corporation which is answerable to Parliament and is owned by all the people of Canada. In this way, the chances we take with the Canada Development Corporation and the benefits which accrue therefrom will be for all Canadians and not just a small group.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his time has expired.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, this afternoon we have had the delightful experience of listening to the hon. member for Waterloo (Mr. Saltsman). Based on the last few minutes, this could be called an interlude of fairy tales on a Friday afternoon by Max Saltsman. We have heard unsubstantiated observations with regard to the performance of the Canadian economy. The hon. member for Waterloo made such statements in committee, but when we start pinning him down the statements become unglued, we do not see the same assurance and bravado.

The amendments are with regard to the objects of the corporation. The first amendment suggests the elimination of any question of "profits and in the best interest of the shareholders as a whole." I shall not try to get into the laboured reasoning of the parliamentary secretary when putting forward the view of Department of Finance officials. He said that if we are working in the best interests of the shareholders, we are working in the best interests of the nation. That is really stretching it. What we are looking for in this clause is what this company will be able to do. Its purpose is to assist in the creation of the development of business, resources, property and industries in Canada. This is a litany of pious hopes of what it might be able to do.

It reminds me of the objects of a company in a memorandum of agreement or letters of incorporation. They sound very nice. They go far beyond the operations of the particular little company that is being established. When looking at the objects of the average small corporation you think you are looking at a corporation such as MacMillan Bloedel which is one of Canada's most successful operations. As the hon. member stated, one thinks

it is a corporation like the Steel Company of Canada. Many large companies have the same objects as small companies.

In this clause we have the same grandiose language. It is true that these provisions must be expressed in broad terms in order to permit the company to function in a certain way, but the operative part of clause 6 is what the hon. member for Waterloo seeks to amend. The operative part of the clause reads:

—and shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole.

The hon. member seeks to eliminate that part. By its elimination one would suppose that the hon. member's argument is that it should not be run for profit, or that it could be run for a loss. This amendment suggests that "in the national interest" has the same meaning as "anticipation of profit and in the best interests of the shareholders as a whole." If I had authorship of such an act I would lay out the objects in much the same way as at present, but with some variations. I would place greater emphasis on the national interest and use the method of operation in the way that the Alberta Gas Pipeline was spawned and started. That is the sort of operation in which a development corporation should be able to participate, not in this way, having it the sole source of money. There is no public participation at the beginning. The public is not invited to come in at the appropriate stage.

The Acting Speaker (Mr. Laniel): Order, please.

Mr. Lambert (Edmonton West): I will terminate my remarks, Mr. Speaker. I will not be here next week; I will be out of town with the constitution on committee. I wish to reiterate the opposition's dislike of the amendment. We will not support it and we will not support the bill.

The Acting Speaker (Mr. Laniel): Order, please. It is the understanding of the Chair that there is general agreement to allow the Minister of Consumer and Corporate Affairs (Mr. Basford) to move the second reading of and concurrence in the amendments made by the Senate to Bill C-180. Is this agreed?

Some hon. Members: Agreed.

* * *

CONSUMER PACKAGING AND LABELLING ACT

PROVISIONS RESPECTING PROHIBITIONS, LABELS, STANDARDIZATION, INSPECTION, ETC.

Hon. Ron Basford (Minister of Consumer and Corporate Affairs) moved the second reading of and concurrence in amendments made by the Senate to Bill C-180, respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products.

He said: Mr. Speaker, there has been consultation in the usual way with the hon. members for St. John's East (Mr. McGrath), Vancouver-Kingsway (Mrs. MacInnis) and Compton (Mr. Latulippe) to call the Senate amendments to the packaging and labelling act and deal with them at this time. I appreciate their courtesy in allowing this matter to come forward.

The Acting Speaker (Mr. Laniel): Order, please. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Mr. Basford: I am not sure whether hon. members want an explanation. There are two amendments, one to clause 3, to make it read very simply that subject—

Mr. Knowles (Winnipeg North Centre): Carried.

Mr. Basford: I take it that hon. members do not want an explanation and I thank them very much.

• (4:00 p.m.)

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

Mr. McGrath: It would be helpful if a short explanation of the two amendments were on record. I think the minister should be allowed to finish.

Mr. Basford: It will take just 60 seconds to explain them. Clause 3, which was of concern to hon. members, will now read:

Subject to subsection (2) and any regulations made under section 18, the provisions of this act which are applicable to any product apply notwithstanding any other act of the Parliament of Canada.

Clause 11 was amended to make it mandatory, as was my intention anyway, to seek the advice of at least one organization of consumers and one organization of dealers in relation to the preparation of any regulations to standardize the shapes or sizes of containers of prepackaged goods. These are the two points which concerned the committee. We have been able to propose wording which I believe deals with the objections which were raised.

Motion agreed to, amendments read the second time and concurred in.

[*Translation*]

The Acting Speaker (Mr. Laniel): It being four o'clock, the House will now proceed to the consideration of private members' business as listed on today's order paper, namely, notices of motions, public bills and private bills.

[*English*]

PRIVATE MEMBERS' MOTIONS

THE SENATE

SUGGESTED SPECIAL COMMITTEE TO EXAMINE ROLE AND POSSIBLE REFORMATION

Mr. David Orlikow (Winnipeg North) moved:

That, in the opinion of this House, the government should give consideration to the appointment of a special committee of this House which shall have the power to hold hearings in

various parts of Canada, take testimony and hire experts, with the following terms of reference: That it shall examine the role of the Senate within Parliament and in its general constitutional functions and report with recommendations on whether the Senate should continue as it has been and is, or whether it should be abolished (and if so, by what means) or whether some form of reformed Senate is worthwhile (and if so, what reforms).

He said: Mr. Speaker, it will come as no surprise to hon. members that I am personally of the view that the Senate plays no useful role in the political life of Canada and that it ought, therefore, to be abolished. However, in light of experience, in light of the attitude taken by both the Liberal and the Conservative parties, I recognize the complete futility of proposing a resolution or putting forward a bill which would simply call for the abolition of the Senate. It is for this reason I am proposing the establishment of a committee to look into the role of the Senate, to study what part it plays in the political life of Canada and try to arrive at conclusions. If the evidence showed that the Senate presently plays no really useful part in the life of Canada, the committee might recommend ways in which it could be changed or reformed so that it could play a useful role.

I do not believe that a committee which looked at the question objectively could reach the conclusion that the Senate as presently constituted serves a useful purpose in Canadian life. I am so convinced that the Senate ought to be abolished that I believe a step in the right direction would be the establishment of a committee to study the question.

One of the leading experts on the constitution of Canada, one of the leading students of the place of the Senate in the last 25 or 30 years, is Professor Eugene Forsey. In a memorandum which he prepared in the late fifties when he was research director of the Canadian Congress of Labour, Mr. Forsey had some interesting observations to make on the role of the Senate. I should like to place some of these observations on record and discuss some of the conclusions reached. Professor Forsey said in his memorandum:

The Canadian Senate is one of the most thoroughly undemocratic bodies in the world, and has far larger powers than many Canadians suppose.

Senators are appointed, not elected. They hold office for life. They cannot be removed, except by the Senate itself.

The Senate can amend any bill whatsoever, including a money bill, and go on throwing it out, as often as it likes; ten, twenty, fifty, a hundred, a thousand times. There is nothing in Canada corresponding to the Parliament Act in Great Britain.

He then drew attention to some of the limitations which have been placed under the British Parliamentary system on the power of the House of Lords, the chamber under the British system which is analogous to our Senate—limitations which make it impossible for the House of Lords to prevent bills passed by the Commons becoming law. Since Professor Forsey prepared his memorandum further limitations have been placed on the power of the House of Lords under the British parliamentary system, but no such limitations apply to the Senate of Canada. The Senate has virtually equal power with the House of Commons in the enactment of legislation. Aside from the limitations which have been expressed in the law of Britain curtailing the power of the House of Lords, Prime Ministers of Britain have for many years enjoyed the right to recommend the creation of as many members of the House of Lords as they felt desirable.

Sixty years ago a Liberal government in which Lloyd George, later Prime Minister of Great Britain, was a leading cabinet minister proposed sweeping social changes. When it appeared that the House of Lords would prevent the legislation from passing into law, the government made a public declaration that if the House of Lords were to prevent the passage of legislation implementing promises on the basis of which the government had been elected, the Prime Minister would recommend the appointment of sufficient members to the House of Lords to ensure that the legislation was enacted and that the will of the people was implemented.

This could not happen constitutionally in Canada because in this country the Senate has the absolute right to veto any legislation proposed by the Commons. True, it has not happened very often. It is possible that a government elected by the people of Canada on a program much more radical than we have had up till now would be blocked by the Senate. It is for that reason that Professor Forsey in the late 1950s proposed that the Senate be abolished.

• (4:10 p.m.)

In abolishing the Senate we would be following the process of democratization that has taken place in many countries. At the time of confederation five or six provinces of Canada had a second chamber, the members of which were appointed in much the same way as Senators are appointed at the present time. Since confederation, all the second chambers in Canada's provinces have been abolished. I think the provinces learned from experience that the second chamber played no useful role, and it was for that reason that Professor Forsey was so strong in his support of the proposal that the Senate be abolished.

It has been argued that the Senate can and does play a useful role. In the last half dozen years in particular a number of quite young people in their thirties and forties have been appointed to the Senate, instead of those in their sixties and seventies who had been appointed for many years in the past. A number of Senate committees have undertaken some quite important studies into matters of policy that are of tremendous importance to Canadian citizens. Let me mention a few of them. There was the committee headed by Senator Croll which studied in depth the problem of the aged in Canada and made a report that had considerable merit. In their report they made a number of very useful proposals as to what should and could be done to improve the lot of the aged in this country.

The committee headed by Senator Davey studied in depth the condition and role of the media—the press, magazines, radio and television—in this country. I think it did an excellent piece of work. A large number of

recommendations made by the Davey committee are useful and are ones that I think the people of Canada could support. A Senate committee headed by Senator Lamontagne looked into science policy and carried out the most in-depth survey of scientific research ever undertaken in this country. A tremendous amount of useful information was gathered by that committee. Their first report is interesting and contains a number of valuable suggestions.

We now have the Senate finance committee, which is headed by Senator Everett, one of the younger Senators from my own province, looking into the state of Canada's economy. I notice the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) is in his seat. I wish he would read the testimony that is being given to that Senate committee. I have not been keeping an exact scorecard but I am willing to bet the parliamentary secretary a dinner in the parliamentary restaurant that 90 per cent of the economists who have been appearing before the committee are opposed to the economic policies of the federal government. I think Senator Everett's committee is doing an excellent job.

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

Mr. Speaker: Order. The parliamentary secretary is rising on a point of order.

Mr. Mahoney: Mr. Speaker, if the hon. member would take time out from reading the Senate reports in order to read the speech I gave yesterday in the House, he would find not only have I read that evidence but that I quoted from it.

Mr. Orlikow: Unfortunately, Mr. Speaker, I not only read the parliamentary secretary's speech, I heard it, and a more selective choosing of so-called evidence I have yet to hear. The only quotations he made were of the one or two economists who happened to agree with government policy. There was not a word about what Professor Barber or Harry Johnson said, or what was said by the vast majority of those who disagree with the government.

So as I say, Senate committees have been doing a very useful job. But, Mr. Speaker, what happens to the recommendations that are made? Have any of the recommendations made by Senator Croll's committee on the aged been implemented into legislation? Of course not! What has happened to the recommendations made by Senator Davey's committee on the mass media? Have any of these been implemented? If they have, then I do not know about it. What about Senator Lamontagne's committee's recommendation on science policy? They are gathering dust, like the thousands of pages of evidence given to that committee.

We know from the speech made by the parliamentary secretary yesterday and also the speech made yesterday by the Minister of Manpower and Immigration (Mr. Lang) how much attention they are going to pay to the evidence given before the Senate committee headed by Senator Everett. Perhaps the government will be rescued from its own folly by the Senate committee, in that the Senate committee will ignore all the evidence given by the experts they have heard and will endorse the economic policies of the government in its report. But if the committee does this it can only do so by ignoring the evidence of the experts that the committee itself chose to testify before it.

I say quite seriously that these kinds of studies could be much better done by parliamentary committees, task forces and royal commissions. No government, not even this government, could ignore reports and recommendations made by task forces and royal commissions appointed by it, or the recommendations of parliamentary committees staffed by members the majority of whom came from government benches, as completely as the present government has ignored the recommendations of the Senate committees I have just mentioned.

Other suggestions in regard to the Senate have been made, such as that the Senate's composition ought to be changed, that there ought to be Senators appointed on the recommendations of the provinces. Personally, I cannot think of a better way to hamstring the running of this country than to give the provinces what is virtually a veto power over what is done by a Senate which, as I have already said, has power equal to that of the House of Commons.

Some have suggested that Senators should be replaced by representatives of various occupational groups. Again, I do not know who would decide which occupational group should be represented or in what proportion the representation should be. One thing that could be said of that kind of Senate is that it could not possibly have more representatives of business than the present Senate. Neither could it possibly have more representatives from one political party than the present Senate. But in my opinion such a Senate could create just as many difficulties and problems as the Senate we now have.

• (4:20 p.m.)

As I said when I rose to introduce this resolution, knowing as I do that there is such hostility on the part of government members and most, if not all, of the members of the official opposition to a proposal to abolish the Senate, I feel that we should either abolish the Senate or give the Senate a useful role to perform. I also make the moderate suggestion that we should appoint a parliamentary committee with power to employ staff and adjourn from place to place to hear witnesses and evidence and decide whether there is a useful role for the Senate.

There has been some indication as a result of hearings over the years that the overwhelming majority of Canadians believe the Senate plays no useful role and should be abolished. I do not think members of this Chamber are prepared to take such a position. I am sure members realize there would be difficulty if such a change were made, particularly in respect of the British North America Act.

At this time, the role of the government and the Senate is becoming increasingly difficult. As the situation changes in the world, the role of the government in this House and in the other place becomes very difficult. In

closing I should like to state that the Senate should be considered from a democratic point of view. Can it be designed to properly perform a purposeful function? For that reason I have proposed the establishment of a committee to consider its function and responsibility.

Mr. Deachman: Mr. Speaker, would the hon. member be willing to answer a question?

Mr. Orlikow: Yes.

Mr. Deachman: Mr. Speaker, would the hon. gentleman be willing to add to his motion a request that the committee determine whether the House of Commons is worthy of retention?

Mr. Orlikow: Mr. Speaker, I do not know whether the hon. member for Vancouver Quadra (Mr. Deachman) is serious, but I suggest to him there is no comparison between the Senate and the House of Commons. Every member here, including the hon. member for Vancouver Quadra, is expected by the general public to be doing the kind of job hon. members ought to be doing.

An hon. Member: He is the best member from British Columbia.

Mr. Orlikow: He may be the best member from British Columbia, but that is a sad commentary on the people of British Columbia. I do not accept that. We only have to look at the results of the elections since 1957 to realize that most of the members who sit in this place have not been here very long. I do not think we need worry about the people of Canada deciding who should sit in this place and what should be done with the Liberal government. I suggest no one could look after the functions of the Senate better than the hon. member for Vancouver Quadra. Perhaps he is looking for a call to that place, but most people appointed to the Senate are not there for very long.

An hon. Member: Until they are 75.

Mr. Orlikow: Senators are appointed for life and can elect to retire at 75.

Mr. Speaker: Order please. I must interrupt the hon. member because his time has expired.

Mr. Hubert Badanai (Fort William): Mr. Speaker, I commend the hon. member for Winnipeg North (Mr. Orlikow); not so much for his view of the upper chamber but for giving members of this House the opportunity to speak about the Senate and what it means to Canada. I am happy to take part in this debate for the opposite reason which the mover of this motion has in mind. He wants a committee to study the value of the Senate, favouring its abolition. I want to strengthen the Senate.

Under the present Constitution of Canada, Parliament consists of the Queen, represented by the Governor General, the Senate and the House of Commons. Whatever arguments may be advanced against this parliamentary structure, against the monarchy or against the Senate in its present form, the fact remains that this is the existing system and, therefore, the point from which we are obliged to start. It follows that in any consideration of the future role and composition of the Senate, or of the question of its abolition, the Senate itself should have a voice. There is some force to the argument that it would be constitutionally improper for one House of Parliament to consider the composition, functions and future of the other place without any reference to that chamber.

The Senate is part of the Canadian structure of government, whether one likes it or not, and therefore has a right to be consulted on any matter of direct concern to it. If the Senate had a record of irresponsible or obstructive behaviour, if it could be demonstrated that it was a totally useless body, if it had been a consistent hindrance to progress, then perhaps one could make out a case in favour of the objective contained in the motion under discussion. Since nobody could claim, however, that the Senate poses a threat to Canadian democracy or that it had never done anything useful, it would be difficult to justify an investigation of the Senate from which the Senate itself was excluded.

It is quite possible that among those best qualified to advise on the future role of the Senate are Senators themselves. They are the people with direct, practical experience of the work of the Senate. They are presumably as much aware of the strengths and weaknesses of the Senate as anybody and are certainly well placed to measure its success or lack of it. It is not inconceivable that they might have some good ideas as to how it could be improved. Before any final decisions are taken it would surely be only just and reasonable to hear what the Senators themselves have to say.

Another argument against the motion is that Senate reform is only one aspect of constitutional reform, and constitutional reform as a whole is a subject which is currently engaging the attention of the federal-provincial constitutional conference. The consideration of the future role of the Senate and one of the pros and cons in respect of its abolition should only be made in conjunction with other constitutional considerations. Piecemeal reform of a constitution can lead to dangers and inconsistencies.

• (4:30 p.m.)

The future role of the Senate is likely to be crucially influenced by other constitutional decisions which will have to be taken. While the federal-provincial constitutional conference will be devoting its attention to the entire question of constitutional reform, it would seem quite inappropriate at this stage to appoint a committee charged solely with making recommendations in relation to the Senate without any regard to the constitutional conference which is scheduled for the fourteenth of this month.

The conclusions of the third working session of the constitutional conference of February 8 and 9, 1971, give an important indication of the conference's current thinking. These conclusions registered agreement in principle on a number of important issues, including patriation of the constitution, a formula for constitutional amendment,

federal and provincial constitutions, fundamental rights and language rights. In any one of these areas it is important to recognize that the Senate could well play a very active and crucial role. Moreover, the constitutional conference envisages that the Senate would be involved at the very outset of the constitutional reform process.

Reference to the Senate by members of the NDP as an old-age home for the party faithful is a cynical statement which reflects the negative attitude of the hon. member's party in general toward an institution which is part and parcel of the government of Canada and performs a very useful duty. The hon. member who proposed the motion asks in effect: Why a second chamber? I wish to point out to the hon. member and to those who think like him that the second chamber relieves the pressure of work on the House of Commons which, in these days of intense governmental activity, becomes overburdened. As everyone knows, it acts as a reviewer of legislation, providing a brake on rasty or ill-considered legislation.

Hon. members who were here in March of 1961 will remember that the government of the day imposed legislation giving the Minister of National Revenue the final decision with respect to tariff changes, without right of appeal. The resolutions read:

> That goods be deemed to be of a class or kind not made or produced in Canada where similar goods made or produced in Canada are not offered for sale to the ordinary agencies of wholesale or retail distribution or are not offered to all purchasers on equal terms under like conditions—

In other words, the minister was to assume the dictatorial power to impose tariffs at his discretion, without giving the importer a chance to state his case. The then Minister of Finance suggested that it was a small resolution, but in reality it was one with big implications extending to the fundamental principle of parliamentary control over taxation, giving the Minister of National Revenue the power to decide, without any review or appeal. Needless to say we, the Liberal opposition at that time, fought tooth and nail against the measure in an effort to get the government to amend the resolution to provide reasonable protection against any arbitrary action by the minister. In summing up the case for the official opposition, Right Hon. Lester B. Pearson said:

> We claim that the rule of law is involved in this resolution as an issue. It is not simply a matter of the preservation of the substance of parliamentary authority and rule. We will have nothing to do with the granting of powers vastly in excess of need. Supreme over any all powerful executive, in our view, must stand the authority of a free, sovereign and independent Parliament.

After days of debate the resolution came to a vote and the government, having 208 members against the Liberal is 49 and the CCF's—forerunner of the NDP—eight members, it carried the day in the House, but not in the **Senate where Liberals were in the majority.** That body refused to approve the legislation and thus saved Canada from one of the crudest autocratic pieces of legislation ever put forward by a Canadian government.

Some hon. Members: Hear, hear!

Senate Reform

Mr. Badanai: Had we not had an upper chamber an unpopular and undemocratic piece of legislation would have been written into our statute books. This is just an example that the Senate can check any tendency on the part of the House of Commons to abuse its power. It also safeguards the interests of the provinces, which was envisaged at the time of confederation.

The idea that the upper house is trying to take away the power of the Commons is absurb. As the load on Parliament grows to enormous proportions and the House of Commons can no longer cope with the demands on members, the Senate moves in to shoulder more of the burden. The investigation of such broad and urgent problems as those of the aged, poverty, science policy and the mass media are important examples of the work which the Senate has been able to perform through its committees' system. To abolish the Senate would remove a considerable potential for Parliament, all the more so in view of the pressures imposed upon the standing committees of the House of Commons.

Senator A. W. Roebuck, one of the brilliant minds of our upper House, once said:

> In my opinion the strength of the Senate lies in the independence of its members. In our modern form of cabinet government, the Prime Minister and his ministerial colleagues have absorbed, first, the powers of the Crown, and second, many of the former functions of parliament. Parliament is still boss whenever it assumes that role, but ordinarily, and in the course of the multifarious details of government, the House of Commons is the pliant creature of the cabinet. So too the cabinet is the boss of the civil service, but more and more as the detail and complexity of government grows and multiplies, the cabinet becomes the instrument of the civil service.

But not so the Senate. The members of the upper chamber are not dependent on either the government or the civil service. Senators are not seeking promotion or anything else. They have nothing to hope for and nothing to fear. They are as secure in their positions as judges on the bench. The ever-increasing responsibilities of modern government, extending as they do into almost every sphere of public activity, serve as a good reminder of the need of a second chamber.

• (4:40 p.m.)

The House of Commons is always overburdened because of the vast amount of government business with which it has to deal. The criticism is sometimes heard that many matters of national importance receive scant attention. Without a Senate to relieve the pressure, many matters would receive even less attention, perhaps none at all. There is no doubt that the second chamber, properly utilized—and I am convinced that such is the case—helps to relieve the burden of work in this House.

As to the suggestion that the Senate should be an elected body, this view is not generally accepted. The Lord Chancellor of Great Britain, addressing the Commonwealth Speakers' Conference on September 9, 1969, said the following about this question:

> The members of the elected house have a certain moral and political authority by reason of the very fact that they have

been elected. If the members of the upper House are also elected, they thereby acquire a measure of moral and political authority which could prompt them to challenge the authority of the lower House and thus make a conflict between the two Houses more likely. Moreover, the upper House needs to be something different in kind from the lower House, and not a pale reflection of it.

I am sure that most Canadians will agree with this assessment of the value of an elected upper chamber equal in power to and which would become a rival of the House of Commons. Fundamental to this discussion is the question: What should an upper House do? Since this matter is being discussed in relation to Canada it will be assumed that it would not be desirable to set up a body equal in power to and which would become a rival of the House of Commons.

Theoretically, the Canadian Senate shares equal power with the House of Commons except in respect of financial legislation, since these powers have never been curtailed by statute as have those of the British House of Lords. The relatively passive role which the Senate plays in the legislative process today has resulted from its own prudence and its acceptance of the fact that power should lie with those who have been directly elected by the people. Former Senator Ross MacDonald, presently holding the position of Lieutenant Governor of Ontario, speaking at the time of the change of government in 1957 when he was leader of the opposition in the Senate, said:

The overriding responsibility of the Senate is to make the constitution work—The Canadian constitution, like all constitutions based on the British tradition of parliamentary government, is a finely-tuned and delicately-balanced instrument. Accordingly, we do not propose to assert our legal rights and prerogatives to the prejudice of common sense or reason, or to the sacrifice of the proper functioning of our constitutional machinery—The Senate was expected by the Fathers of Confederation to act responsibly at all times, and I am confident that it will continue to do so in the new Parliament. We should not—automatically resist every government measure which comes before us. To do so purely out of party considerations would be to hamper any effective government of our nation.

Mr. Speaker: Order, please. I regret very much to interrupt the hon. member for Fort William (Mr. Badanai), but his time has expired.

Some hon. Members: Continue.

Mr. Speaker: Has the hon. member leave to continue his remarks for a few moments?

Some hon. Members: Agreed.

Mr. Badanai: I thank hon. members for their indulgence. I shall shorten my speech and take only a few more minutes. The thought to bear in mind is that the abolition of the Senate would not strengthen the House of Commons. On the contrary, it would tend to add to the authority of the establishment, the cabinet and the top officials of the civil service. Thus, the abolition of the Senate would end by losing the scrutiny of the parliamentary system as we know it. In the Senate today sits a man who at one time was leader of the CCF, forerunner of the NDP, whom I heard speak in this chamber on more than one occasion in favour of the abolition of the Senate but who, speaking in the other place, as reported in the Senate proceedings of March 17, 1970, said:

Although a committee of the House of Commons in 1969 recommended a Commons Committee on statutory instruments, the motion before the Senate seems to be the government's response to the important recommendations of that committee. The honourable leader—hon. Mr. Martin—was careful to point out that he was not making that assertion. However, it would seem to be quite logical that his action should flow from the recommendation of the House of Commons committee. The Senate will be undertaking the very important work of this committee.

The government leader presented this motion to the Senate in a very eloquent manner, and I think once again he has demonstrated, in his capacity as leader of the government in the Senate, that he is determined to give the kind of leadership that will result in important activity being undertaken at all times by this chamber. With this kind of leadership the Senate will make a valuable contribution and will be an enduring part of the Canadian Parliament.

This member, far from being opposed to the value of the Senate has become one of its champions. It is worth noting that most of the countries of the world which one would regard as democratic have two chambers. In the Commonwealth these include Canada, Great Britain, Australia, India, Ceylon, Malaysia, Jamaica, Trinidad and Tobago, Barbados, Bahamas, British Honduras and Bermuda. Outside the Commonwealth they include the United States of America, France, Western Germany, Italy, Belgium, Holland, Switzerland, Norway, Iceland, the Irish Republic and Japan.

Mr. Speaker, I submit that a second chamber can relieve the pressure of work on the lower House, which in these days of intense governmental activity easily tends to become overburdened. It can act as a house of review and thus provide a brake on hasty or ill-considered legislation. It can secure for the country the services of men and women who may be unable or unwilling to engage in the political campaign necessitated by an election. It can check any tendency on the part of the lower House to abuse its power. It can represent interests not otherwise represented in the lower House. In short, in a federal state it can safeguard the interests of the component parts of the federation.

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have just a few remarks to make on this motion. My colleague from St. John's East (Mr. McGrath) also intends to make a few remarks in view of the fact that for some time he was employed in the Senate. But neither of us will make a long speech.

I feel it is something of an insult to the Senate that a committee of the House of Commons should be set up to investigate its activities and usefulness. If there has to be a committee at all, I think it would be much more reasonable if we were to propose the setting up of a joint committee. The two Houses are part of the legislative process of Parliament. In spite of the fact that we occupy different parts of the building, we do work in concert on many joint committees which points up the fact that there is a mutuality of interest.

• (4:50 p.m.)

I am quite sure that members of the other place are well aware of the shortcomings within the Senate and

of the improvements that could be made in appointments, operation and so forth. I do not believe that they are lacking objectivity and could not look at this question fairly and come to a conclusion. I am quite sure they know where improvements can be made in the operation of the Senate. For that reason I think the hon. member's motion should have been to set up a joint committee and to take care of the House of Commons portion of it so that there would be a joint effort to look at the legislative processes of Parliament. We cannot separate them because at the moment and from time to time during the session there are bills which go from this House to the Senate. Sometimes they are amended, as one was today, and come back to this House for reconsideration.

Mr. McGrath: That was a good amendment today.

Mr. Aiken: As my friend from St. John's East says, it was a good amendment to the legislation. For this reason I think we should work together and look at the joint legislative process rather than using this motion to beat the other House once again for its shortcomings. We have a few ourselves. We often pass bills here after days or weeks of consideration and anguished debate and send them to the other place, expecting them to deal with the matter in an afternoon—and some of it is very important legislation. I think members of the Senate have cause for complaint about the way we treat them.

As has been pointed out, very effective work is being done in the other place both in originating legislation and in financial affairs. As generally happens, the hon. member from the New Democratic Party who introduced this motion took the opportunity to whack at the Senators for financial and business interests which might be inconsistent with their legislative capacity and for the fact that the Senate is sometimes considered a retirement house for old politicians. I do not think we can be too critical in these respects. I believe some benefit derives from the Senate. We must remember that the effective power in Parliament is in this House and not in the Senate, by reason of the presence of the cabinet within this House and the fact that we are an elected body. We cannot say that the power of legislation rests equally with the Senate and the House of Commons.

The fact that some Senators had or have business interests and connections is not a bad thing. Sometimes it is of benefit to have knowledge of what you are talking about. Many of the things that the other House considers effectively pertain to business, financial and economic matters. They make good amendments and have worthwhile discussions. As far as the question of retired politicians is concerned, a quick look at the membership of the Senate, particularly those who are doing good work, will show that most of them have some political background.

Of course, some improvements could be made to the Senate. The point was raised by the hon. member for Winnipeg North (Mr. Orlikow) that there should be a limit on the length of time the Senate can delay legislation. I agree with that; there should be no right in the other place to hold up legislation indefinitely. This is one of the weaknesses which should be corrected and in this case we have been delinquent.

There are many other things I should like to say, Mr. Speaker, but time is running out. I merely wish to express my reservations on the motion, first because there should be a joint committee of both Houses and, second, because I could not agree to the abolition of the Senate. For these reasons I cannot support the motion in its present form.

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I do not intend to talk out this motion but I want to make one comment. In my opinion it is a very immoral thing indeed to have a law-making body in a country that calls itself democratic if part of that law-making body is not subject to election and recall at the proper time by the electorate. That is all I want to say.

Mr. Murray McBride (Lanark-Renfrew-Carleton): Mr. Speaker, it is a delight to have an opportunity to say at least a few words on the motion before us in the name of the hon. member for Winnipeg North Centre (Mr. Orlikow). It is my conviction that the Senate suffers from not reflecting very accurately what the electors might expect. We are all aware that bills may originate in either House and that they must pass both Houses and receive royal assent before they become law.

By means of the ballot box, the House of Commons, hopefully, does reflect the will and wish of the public. I think it might be accurate to say that we have "do it yourself" government in this country where no person or persons govern by any divine or preordained right or privilege. This means that we are here because the people of the country want us to be here and we function as the people want us to function. It therefore seems to me that the upper House, which is appointed, cannot really be justified today when we have a very highly-educated populace and people want to participate more fully in the decision-making process. I count myself amongst those who believe very strongly—

Mr. Speaker: Order, please. The hour assigned for consideration of private members' business has expired. It being five o'clock, this House stands adjourned until eleven o'clock Monday morning, pursuant to special order of the House made earlier this week.

At five o'clock the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Monday, June 7, 1971

The House met at 11 a.m.

ROUTINE PROCEEDINGS

CONSTITUTIONAL CONFERENCE

TABLING OF AGENDA

[*Translation*]

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, pursuant to Standing Order 41(2), I should like to table the agenda for the Constitutional Conference to be held June 14, 15 and 16 at Victoria.

* * *

• (11:10 a.m.)

[*English*]

FISHERIES

STATEMENT ON ATLANTIC SALMON FISHERY AND LIMITATION AGREED TO BY DENMARK

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, the Atlantic salmon fishery, as many hon. members know, is in difficulty. Stocks have been declining for many years and pollution, together with overfishing for this unique species, has caused the Canadian government to introduce special measures for the protection of salmon runs on Canada's east coast.

One of the causes for a decline in stocks has been increased catches by foreign nationals. The development of a major commercial fishery off the west coast of Greenland is a case in point. Beginning in the early 1960's, and with increased effort through to 1969, fishermen from Denmark, Norway, the Faroe Islands and Greenland itself took large quantities of Atlantic salmon many of which originated in this country.

The highest reported catch of Atlantic salmon off west Greenland was in excess of 2,000 metric tons in 1969. This was equivalent, in that year, to the total Canadian commercial catch on the east coast of Canada.

The Canadian government has protested this increase in fishing for Atlantic salmon. It made its views known both to the individual countries involved and at the annual meetings of the International Commission for Northwest Atlantic Fisheries.

This summer, for the first time, a limit will be placed on the total fishing effort by Denmark. It has agreed, officially, to limit the number of vessels involved to that reached in 1969. This is the official position of the Danish government. However, it should be noted that the total number of Danish vessels engaged in the Atlantic salmon fishery off Greenland fell from 15 to 13 in 1970. The forecast for 1971 is now a maximum of ten, three of the largest vessels which previously engaged in this fishery now having been converted to other fisheries.

When I was in Denmark last week, the Danish Minister of Fisheries, who is also the Minister for Greenland, told me that his government was concerned about the supply of Atlantic salmon and was adopting three measures which, taken together, could affect the size of the Danish fishing fleet in future years. They are: 1. The introduction of a tax on the quantity of salmon caught; 2. Government loans to enable salmon fishing vessel owners to convert to the taking of other species such as sharks and shrimps; 3. The launching of a special research program, aimed at discovering additional species which could be taken by these vessels in other waters.

I therefore expect that the Danish catch, off west Greenland, will decline. I expect that the catch by the Norwegians and also by the Faroese will decline. They will decline, also, because salmon quotas off Norway, in the northeast Atlantic, are being reduced and vessels which, until recently, have participated in both the northeast Atlantic fishery and off Greenland now have a much shorter season in which to try to recover their costs.

I should add, Mr. Speaker, that developments with respect to the Common Market could largely eliminate our problem. If Denmark follows the United Kingdom and joins the European Common Market its commercial fishermen will no longer be able to operate within the 12-mile limit off west Greenland. The same applies to Norway and the Faroese. The west Greenland inshore fishery, in other words, will be reserved mainly for the native peoples living in Greenland. And if we succeed in getting the United Nations to accept a high seas ban for salmon fishing at the Law of the Sea Conference in 1973, then the only Canadian salmon taken off west Greenland will be caught within 12 miles of Greenland itself.

I do not wish to imply, Mr. Speaker, that all our problems are solved. The Danes, like the Norwegians and the Faroese, will continue to fish off west Greenland in 1972 and 1973. Denmark, officially, is also holding its 1969 level of effort. However, as I said earlier, the forecast is for a reduction in vessels making the trip to west Greenland and the offshore catch of Canadian salmon should be reduced accordingly.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, we on this side of the House welcome the announcement made this morning by the Minister of Fisheries and Forestry with regard to efforts that have been made to conserve Atlantic salmon.

I should first like to thank the minister for the courtesy he extended to the official opposition by delivering a

copy of his statement to my office about 15 minutes prior to the opening of the House.

While we welcome any move that will result in the conservation of our declining fisheries resources, it is somewhat regrettable that the best agreement which could be reached with Denmark at this time on the conservation of Atlantic salmon is one that limits their catch this year to an amount similar to the take in 1969. I point out to the minister that a limit on the number of vessels that will be used in the fishery really has no bearing on the take of salmon by the Danes. All that is required under an agreement of this type is for fishing activity to be speeded up, and with a declining number of vessels, the Danes can still take as many or even more fish than were taken in previous years.

The minister has stated that in 1969 the reported catch off west Greenland was in excess of 2,000 metric tons, which was equivalent to the total commercial catch off the east coast of Canada in that year. This is a large quantity of salmon. As a result of the huge take of salmon on the high seas our salmon stocks have declined all along the east coast until today this species is rapidly becoming one of the extinct species off our coast. We simply cannot sustain this amount of fishing activity.

There has never been a period in the history of our fishing industry when our over-all fisheries resources have been so sorely threatened. This point, which has been made time and again, was made very forcefully by representatives of the industry when they held their 26th annual meeting in Ottawa between May 2 and May 5. At that time, one of the resolutions put forward by the Fisheries Council of Canada called for recognition of the concept that anadromous species of fish such as salmon were the rightful property of the country of origin and other countries should therefore refrain from catching them.

It seems that this concept has not been put forward forcefully enough by our representatives and our spokesmen in the Department of External Affairs when attending international meetings on this problem. There has been little or no change within the last decade in fishing operations carried out in international waters. It makes no sense whatever for Canada to spend approximately $2 million annually on the development of salmon stocks and in restoring salmon runs if other nations adopt the attitude that high seas fishing can be continued without regard to the source of the salmon.

We welcome this announcement as only a very small step in the right direction. I cannot urge too strongly upon the minister the need for securing agreement at the 1973 International Conference on the Law of the Sea on the concept that anadromous species such as salmon belong to the country of origin.

I understand that at the present time a congressional investigation is being held in the United States on this matter. It may be advisable for the minister to bring the subject before the fisheries committee, composed of members of this House, for consultation on this important matter. Nothing short of a total ban on the catching of salmon on the high seas is acceptable to the members of the official opposition.

[Mr. Crouse.]

Mr. Randolph Harding (Kootenay West): Mr. Speaker, our group welcomes the announcement by the minister. I regret that I did not have an opportunity to study his remarks. The copy of his statement was sent to the member of the fisheries committee who usually responds for our party.

The information that we have come to some kind of an agreement with Denmark on the conservation of the Atlantic salmon fishery is of great interest, I am certain, to all hon. members, especially those who live on the east coast. However, I point out to the minister that while overfishing by the Danes has been the cause of most of our trouble with regard to the depletion of Atlantic salmon, pollution has also been a cause. In numerous rivers on the east coast where the salmon have normally spawned pollution has prevented them from going up these streams to spawn. This is another aspect which the government must study if we are to obtain any real benefit from the agreement with Denmark. We must do something with regard to our streams in Canada to ensure that spawning areas are available when these fish come to the east coast to spawn.

• (11:20 a.m.)

I have attended several meetings of the fisheries committee. There have been repeated warnings by individuals who have appeared before that committee with regard to declining stocks of other species of fish off the east coast of Canada. Along with the hon. member who has just spoken and other hon. members, I urge the minister to do everything possible to carry out the investigations which are necessary to ensure that this vital and valuable fishery on the east coast of Canada is retained and expanded in the years to come.

We certainly welcome this announcement and hope it is one of the first of many steps to make sure that we conserve our fisheries for all time.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we are all aware of the difficult situation in which our east coast fishermen find themselves and we appreciate all measures taken to improve their lot.

That agreements be entered into with other countries, that is good. But, if the government dealt with the pollution problems of both the east and the west coasts of Canada, that would be of great help to the fishing industry which is surely of value to the country. I say it again, any measure to help east coast fishermen will have the support of my colleagues, especially the Social Credit members. I am happy to hear the minister inform us this morning of the measures presently taken to help the fishing industry in eastern Canada.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

COST OF ADVERTISING FOR CNR IN NEWFOUNDLAND

Question No. 892—**Mr. Peddle:**

1. What was the total cost of newspaper, radio and television advertising by CNR in Newfoundland in 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970?

2. What were the media and amounts paid to each in each year?

3. What is the anticipated expenditure for 1971?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Canadian Railways advises as follows: 1, 2 and 3. Advertising of the various services offered by the company is done in accordance with what is considered to be the requirements of the market. Expenditures covering advertising are controlled through an annual budget which is also made in accordance with considered requirements. The placing of advertising is a matter of internal management and it is not the practice to disclose the information on a territorial breakdown basis.

CONVICTIONS FOR POSSESSION OF MARIJUANA

Question No. 895—**Mr. Peddle:**

1. How many convictions for possession of marijuana were registered in Canada for each year since 1960?

2. What were the penalties imposed in each case?

3. What were the ages of the accused in each case?

Hon. John C. Munro (Minister of National Health and Welfare): 1. 1960, 15; 1961, 12; 1962, 11; 1963, 30; 1964, 27; 1965, 40; 1966, 109; 1967, 453; 1968, 1,078; 1969, 2,313; 1970, 5,399.

2 and 3. To obtain the information requested would require a manual search of records which would be prohibitively expensive and for which funds are not available. For this reason, it is regretted that the information cannot be provided.

POLICY OF AIR CANADA ON BILINGUALISM

Question No. 993—**Mr. Fortin:**

1. What is Air Canada's policy on the distribution of French newspapers on its flights?

2. What is Air Canada's policy on the use of French at the Ottawa Airport?

3. What is Air Canada's policy on bilingualism?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. It is Air Canada's policy to board French language newspapers at points of publication on flights where there is an anticipated demand, in a quantity proportionate to the total number boarded. Where French language newspapers are not published, but are in demand, a supply is flown to the departure point to be boarded as appropriate. French language magazines are boarded on all Air Canada flights.

2. Services to the travelling public are provided in both official languages.

3. To provide bilingual services to the travelling public in Canada and elsewhere wherever there is a significant and regular demand. The matter is under continuing review.

AIR CANADA—YARMOUTH AIRPORT

Question No. 1,000—**Mr. Comeau:**

1. Since the recent reduction of personnel at Yarmouth Airport, by Air Canada, have any flights been delayed and, if so (a) how many (b) by what length of time?

2. What is the normal ground time for Air Canada flights at Yarmouth?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Air Canada advises as follows: 1. During the period February 21 to March 18 inclusive ten flights were delayed for periods ranging from two to fourteen minutes as a result of unusual heavy freight, accommodation of late arriving passengers, and minor technical difficulties.

2. Flight 330, 35 minutes; flight 331, 25 minutes.

WHEAT BOARD GRASS SEEDING PROGRAM

Question No. 1,005—**Mr. Thomson:**

1. Is it the intention of the Wheat Board to continue the grass seeding program as it was under Operation Lift in 1971 or beyond and, if so, will payments remain the same?

2. Is it the intention of the Wheat Board to continue to exempt land seeded to grass from grain quota?

3. How many acres were removed from quota acreage by the removal of grassland from quota?

4. What was the total decrease in quota acreage resulting from quota changes under Operation Lift?

Hon. Otto E. Lang (Minister of Manpower and Immigration): 1. The Federal Government is continuing to offer a $10 an acre payment under the Prairie Grains Policy Forage Program to farmers who switch production from grains, oilseeds and other crops to forage. To qualify for payment farmers must increase their net forage acreage by at least 25 acres and decrease their net crop and summerfallow acreage by a corresponding amount in order to qualify for payments. There is no maximum for the individual farmer nor are there any restrictions on the use and harvesting of nurse crops. The incentives will apply for three years or on 4 million acres of land, whichever limit is reached first.

2. In the 1971-72 crop year land actually seeded to perennial forage (up to a maximum of one-third of the total of land in summerfallow, in the six quota grains and in miscellaneous crops) will form part of a producer's total assignable acreage base.

3. 5,396,065 acres.

4. 13,777,952 acres.

Questions

ARRIVAL AND DEPARTURE TIMES OF CNR TRAINS, TORONTO TO HAMILTON

Question No. 1,214—**Mr. Sullivan:**

1 What were the scheduled times of departure and arrival for CNR trains from Toronto to Hamilton from the period of March 12 to March 22, 1971 and what times did the said trains actually depart and arrive?

2. In the case of each late arrival, what was the reason?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: As listed on Page 14, Table 30 of the company's System Timetable issued effective February 1, 1971, the following trains operated between Toronto and Hamilton during the period in question: 637 Lv. Toronto 0915, Arr. Hamilton 1002; 641 Lv. Toronto 1720, Arr. Hamilton 1810; 651 Lv. Toronto 2305, Arr. Hamilton 2347. On nine occasions late departure from Toronto resulted from delay in arrival of incoming connecting trains or loading of passengers and on three occasions resulted from equipment problems. Late arrivals at Hamilton occurred on 18 occasions and resulted from the foregoing and because of slow orders which were in effect on sections of the track.

RENTAL OF PIERS IN HALIFAX BY NATIONAL HARBOURS BOARD

Question No. 1,281—**Mr. McCleave:**

1. What piers in Halifax are rented in their entirety by the National Harbours Board (a) to whom (b) on what terms?

2. What piers in Halifax are rented, by the Board exclusively, as to portions thereof (a) to whom (b) on what terms?

3. Has the Board received complaints that small companies are not able to obtain rentable space from the Board and, if so, what is being done to answer such complaints?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The National Harbours Board advises as follows: 1. Pier C Container Terminal excluding area of dock approximately 1800 feet and 50 feet back from the face of dock. (a) Halterm Ltd. (b) As per Heads of Agreement between NHB and Halterm Ltd.

2. None. (a) N/A. (b) N/A.

3. No complaints received by the Board.

DELIVERY PERMITS ISSUED BY CANADIAN WHEAT BOARD

Question No. 1,307—**Mr. Mazankowski:**

How many delivery permits were issued by the Canadian Wheat Board in the crop years 1968-69 and 1969-70 to producers for the delivery and sale of wheat?

Hon. Otto E. Lang (Minister of Manpower and Immigration): In crop years 1968-69 and 1969-70, 190,606 and 190,004 Canadian Wheat Board delivery permits, respectively, were issued to producers.

COST OF QUEBEC BRIDGE

Question No. 1,363—**Mr. Godin:**

1. What was the initial cost of the Quebec Bridge?

2. What was the amount of interest paid?

[Mr. Lang.]

3. Has the total amount been paid and, if not, how much is still owed?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The total capital cost of the Quebec Bridge including expenditures up until 1927 is shown in the Public Accounts of Canada at $21,706,664.49.

2. Nil—The Quebec Bridge was entrusted to CNR for management and operation by authority of order in council P.C. 115 of January 20, 1923.

3. Not applicable.

REPAIRS AND ALTERATIONS TO DORVAL INTERNATIONAL AIRPORT

Question No. 1,372—**Mr. Coates:**

1. What was the total amount of repairs and alterations effected to the Dorval International Airport since July 1, 1970, and what will be the final estimated cost of these repairs and alterations?

2. What is the reason for the repairs and alterations that are being carried out?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. The total cost to the Department of Transport of repairs and alterations at Dorval since July 1, 1970 until May 12, 1971 was $2,042,287. The final estimated cost is $9,307,231 and includes road and carpark construction begun before July 1, 1970. The major part of these funds is allocated to the provision of interim terminal building facilities.

2. These repairs and alterations are necessary to accommodate the B-747, L-1011 and other wide-bodied aircraft and provide increased capacity until Montreal II Airport is expected to be operational in 1974. Work is also necessary on the runways and taxiways which will accommodate these large capacity aircraft.

LOANS GRANTED UNDER THE CANADA-QUEBEC AGREEMENT ON SPECIAL AREAS

Question No. 1,384—**Mr. Rodrigue:**

1. For the period December 1, 1970 to May 1, 1971, how many loans were granted to the Province of Quebec under the provisions of the Canada-Quebec agreement on special areas?

2. How many loans were granted from the signing of the agreement to December 1, 1970?

3. What is the duration of each loan?

4. What is the interest rate for each loan?

[*Translation*]

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. Fifteen.

2. Seven.

3. All loans are for a duration of 30 years, except one, which is for 15 years.

4. The current rate, as established by the Department of Finance, is:

Repayment Period	Rate
15-19.99 years	$6\frac{3}{8}\%$
20 years or more	$6\frac{15}{16}\%$

[*English*]

GOVERNMENT CONSIDERATION OF STOL AIRCRAFT AS FEEDER PLANES

Question No. 1,388—**Mr. MacDonald (Egmont):**

1. What consideration is being given by the government to the participation in the development of STOL aircraft as feeder planes to areas of high population?

2. Has consultation been initiated with private companies with regard to the implementation of such a programme and, if so, which companies?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): 1. Consideration and study are being given to all applications of STOL air transport systems in Canada. These applications include: (a) city-centre to city-centre; (b) regional, that is a service to improve transport and communication in less heavily populated areas; (c) feeder, including service from small centres to major urban centres and service connecting various centres to major airports, and (d) applications unique to northern areas of Canada. The announcement of a program to establish a demonstration service made on 13 May, is for a city centre service. Other applications will continue to receive examination and where it proves efficient and economical services may be introduced appropriate to these applications.

2. The Minister of Transport has met with groups from the Air Industries Association of Canada (AIAC) to discuss STOL programs and to hear the industries' views on a National Major Program. The AIAC represents most of the manufacturing companies in Canada who have an interest in STOL.

CNR HOTELS IN CANADA OPERATING AT A LOSS IN 1969-70 AND 1970-71

Question No. 1,392—**Mr. McGrath:**

What CNR hotels in Canada operated at a loss during the fiscal years 1969/70 and 1970/71?

Mr. Gérard Duquet (Parliamentary Secretary to Minister of Transport): The management of Canadian National Railways advises as follows: Hotel Bessborough, and Hotel Macdonald.

P.E.I. DEVELOPMENT PLAN BUDGET

Question No. 1,441—**Mr. McQuaid:**

1. Has a budget been submitted by the Province of Prince Edward Island to the Government of Canada with respect to moneys required for the fiscal year 1971-72 under the P.E.I. Development Plan and, if so, what are the details?

2. Has the whole or any part of the submitted budget been approved by the federal government and, if so, what are the details of the projects approved?

Mr. Martin P. O'Connell (Parliamentary Secretary to Minister of Regional Economic Expansion): 1. The Province of Prince Edward Island does not submit a budget to the Government of Canada. Program proposals within the plan are developed jointly.

2. All the proposals are not yet final. When they are, the program expenditures will be made public.

Order of Return

CIRCULATION AND COST OF DEPARTMENT OF AGRICULTURE PUBLICATION, "NEWS"

Question No. 1,461—**Mr. McCutcheon:**

1. What is the total circulation of the *News* published by the Information Division, Department of Agriculture?

2. What is the annual cost of this publication?

Hon. H. A. Olson (Minister of Agriculture): 1. The circulation of the weekly publication *News* is 2,535.

2. Annual cost—$13,520.

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QUESTION PASSED AS ORDER FOR RETURN

1971 CENSUS OF AGRICULTURE

Question No. 1,248—**Mr. Yewchuk:**

1. For the 1971 Census of Agriculture (a) how many questionnaires will be used (b) how many questions will be asked?

2. How many and which rural areas were chosen to test the draft agricultural questionnaire in the Fall of 1968?

3. For the Agriculture quality check program (a) what percentage of all census-farms will be re-enumerated (b) what will be the area sample (c) what will be the questions?

4. For the 1971 Census of Canada will the government hire university students as enumerators and, if so, how many?

Return tabled.

ORAL QUESTION PERIOD

CANADIAN CONSTITUTION

FEDERAL POSITION ON CHANGES TO INCREASE PROVINCIAL JURISDICTION OVER SOCIAL SECURITY PROGRAMS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he has agreed in principle that the federal government will accept constitutional changes increasing provincial jurisdiction with regard to income support and social service programs, or at least enlarging the area of the priority of provincial legislation in these fields?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker, no agreement has been reached with any of the provinces concerning any constitutional amendments beyond those which were mentioned in the communiqué of the February conference. Of course, as the Leader of the Opposition knows, there has been discussion by some provinces of amendments they would like to see made to the constitution, particularly concerning social security matters.

Mr. Stanfield: Is, therefore, the position of the federal government with regard to federal and provincial jurisdiction in the areas of income support and social service programs and the respective priority of federal and provincial jurisdiction in those areas the same as that set

forth by the government of Canada in its working paper submitted several federal-provincial conferences ago?

Mr. Trudeau: Yes, Mr. Speaker, this is still the position of the federal government. As the Leader of the Opposition says, it was published in a white paper that we tabled at the conferences. I should add that at the request of one of the provinces we have asked the other provinces to consider an amendment to section 94A. This was done by the Minister of Justice in consultation with the various provinces as much, I believe, as two months ago. None of the provinces has yet indicated agreement, nor has the federal government; but the Minister of Justice did bring this amendment to the attention of the other provinces. We have no final position from the other provinces on this as yet.

Mr. Stanfield: Am I to understand from the Prime Minister that his government is not prepared to accept the proposed changes to section 94A, and that the government of Canada will go to the conference in Victoria taking precisely the same position in regard to income support and social services jurisdiction as was expressed in the working paper presented at a prior federal-provincial conference?

Mr. Trudeau: Yes, Mr. Speaker. In reply to the second part of the question, we will repeat the position we took in the working papers to which the hon. member refers, but we will discuss with all the provinces the possibility of this amendment to Section 94A that I mentioned a moment ago and which was brought to the attention of all the provinces. I do not know what the consensus of the conference will be.

NATURE OF PROPOSED AMENDMENT TO SECTION 94A—MAINTENANCE OF NATIONAL STANDARDS IN SOCIAL SECURITY PROGRAMS

Mr. David Lewis (York South): Mr. Speaker, I should like to ask the Prime Minister a supplementary question. Would he indicate to the House what kind of amendment was requested? While I am pleased to know that the Prime Minister has had a conference with the Prime Minister of Quebec, would he also indicate to the House whether he has had direct discussions with the premier of any other province on this matter?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, in reply to the latter question, I have had, of course, direct discussions with other premiers regarding the June conference. In reply to the first question, I cannot give the exact text of what was suggested, though it has been submitted to all provinces, because we did agree that the documents for this conference on June 14, 15 and 16 would not be made public. Therefore I do not think I should make the substance of it public.

Mr. Lewis: Could the Prime Minister at least inform the House, if he feels free to do so, whether the approach taken would remove from the federal Parliament any jurisdiction in this field, or would it be a divided or concurrent jurisdiction? Does the Prime Minister feel free to tell us in what direction the amendment would go?

Mr. Trudeau: Unfortunately, Mr. Speaker, I do not feel free to answer that question; to do so would be to reveal the substance of the amendment. I hasten to add that it is merely to make the negotiations more hopeful that we are taking the position that no province will publish its position on negotiations that might have taken place since the February consensus.

Mr. Lewis: Can we have from the Prime Minister, even at this stage, an assurance that the federal government will not agree to any amendment to the constitution that would destroy any possibility of national standards, that, even though some province or provinces may have particular responsibilities or additional powers, national standards in the area of old age security and other social security measures will not disappear from the scene in Canada?

Mr. Trudeau: That indeed is the position we have taken in our working papers. I probably would not want to go even as far as the leader of the NDP when he says even though some provinces might have—I forget his expression—some special powers. We are not taking this position. As I said to the Leader of the Opposition, we are taking the position of our working paper, which is known to the public. However, we are going to meet in Victoria to negotiate and discuss, and the provinces and the federal government will have to make up their minds as to what they are willing to agree to by way of amendment, if we are going to reach any agreement at all. As the House knows, there will be no binding agreement imposed on Parliament. If any agreement is reached in Victoria it will of course be discussed in Parliament to see whether or not we have its approval.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to ask a supplementary question.

Everyone knows that the Prime Minister took a constitutional in company with the premier of Quebec yesterday afternoon. Was Section 94A of the Constitution then discussed? My second question is as follows: will whatever is granted to Quebec be also made available to other provinces?

Mr. Trudeau: Mr. Speaker, as for the other questions, I do not want to go into the detail of the discussions. But as regards the question asked by the Social Credit leader, I may say that should there be a constitutional amendment the position of the federal government is to insure effectively that all the provinces receive the same treatment.

I would like to add that the difficulties with regard to the amendment which the hon. member has mentioned are as follows: the federal government feels—and I believe that this touches on the question raised by the leader of the New Democratic Party—that it should continue to redistribute the wealth to the poor of our coun-

try. It should have certain powers in the fiscal and social fields, as otherwise only the rich provinces would be able to assist their needy people and the less wealthy provinces would see their income reduced because they would receive no assistance under federal programs.

[*English*]

Mr. Speaker: The Chair will recognize one last supplementary on this subject and then go to the next subject.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I put this supplementary question to the Prime Minister. When he referred to the government's working papers by which it intends to stand, do these papers include the white paper on income security for Canadians which was tabled in the House last December and which implies a considerable degree of federal involvement in the maintenance of income security?

Mr. Trudeau: Yes, Mr. Speaker, that is the paper, indeed, in which we made our position most clear and to which I was referring in answer to the Leader of the Opposition. It is in that paper that we indicated it is in the national interest, particularly of the less-favoured Canadians, that the federal government maintain jurisdiction in these areas. If it does not, the provinces will not be able to follow national standards and we will have the richer provinces helping their people to a greater degree than the poorer provinces will be able to do. That is why the federal government has taken the position that it is not a question of trying to keep power for ourselves, it is to keep power for the federal government in order that we will be able to redistribute the wealth across the country to individuals who need it.

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EXTERNAL AFFAIRS

EAST PAKISTAN REFUGEES—REQUEST FOR STATEMENT ON CANADIAN CONTRIBUTION TO RELIEF AND POLITICAL SETTLEMENT

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is directed to the Prime Minister or the Acting Secretary of State for External Affairs, if such a person is in the House. In view of the gravity of the situation in East Pakistan and West Bengal, will the Prime Minister or the Acting Secretary of State for External Affairs make a statement tomorrow on motions dealing with the whole situation and, in particular, with Canada's contribution to the massive humanitarian relief required and to the political settlement which is essential?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I could discuss the possibility of a statement with the department, although I could perhaps satisfy hon. members by answering questions. The Secretary of State for External Affairs will be back in Canada from Europe on Friday, I believe. Perhaps at that time he will want to make a statement as he did on May 28, but there is little to add to that statement. The figure of $2 million was given to the House as the amount which has been offered to the High Commissioner for Refugees at the United Nations. There have been various other bodies in Canada which have contributed generously to the relief of the plight of the East Pakistanis. The federal government has indicated a willingness to do even more if such moneys were needed.

Mr. Brewin: Can the Prime Minister tell the House what consultations, if any, are going on with other countries such as the United States, Britain or India with a view to united pressure of the world community to bring about the political settlement which is surely essential to dealing with the problem?

Mr. Trudeau: Mr. Speaker, I know there have been discussions of this problem among various countries, but I cannot answer as to what results seem to be forthcoming. We do realize that, apart from the medical and other relief aspects, it is necessary to come to grips with the political problem, but we are not waiting, of course, for the latter to stand in the way while we are helping the refugees in every way we can.

EAST PAKISTAN REFUGEES—ADDITIONAL EMERGENCY MEASURES TO COPE WITH PROBLEM

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, while the $2 million to which the Prime Minister referred dealt with the situation as it obtained some time ago, in view of the fact that a new emergency has arisen, with some five million refugees now in India and the outbreak of cholera in Calcutta which could have disastrous consequences, is the Canadian government taking any immediate emergency measures in addition to the supply of vaccine, which I understand is being flown there today, in order to help India to cope with this monumental problem which has suddenly been thrust upon it?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we are working through the World Health Organization and the United Nations High Commissioner for Refugees who are co-ordinating relief assistance with the Indian government. I repeat that the federal government indicated it was prepared to assist to the tune of $2 million. The way in which this will be spent depends on the co-ordination possibilities which are required. It is apparently and obviously a very difficult task to co-ordinate relief on such a scale and under such political conditions, but we are doing it through the United Nations agencies.

Canadians have also been very helpful. OXFAM has contributed $10,000 for general relief expenditure and has indicated its intention to provide up to $140,000 for a field medical unit. Canadian Mennonites have provided $30,000 and an additional $35,000 has been pledged. The United Church has contributed $25,000 and the Anglican church $10,000 for field services.

Mr. Speaker: Order, please. I appreciate that the information is of interest to the House but perhaps this is the kind of detailed information which might more appropriately be provided to the House on motions.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, in view of the enormous problem that appears to exist and the very distinct possibility, if not probability, of a tremendous calamity taking place, is the government of Canada taking any steps in conjunction with world organizations to really assess what needs to be done there to prevent a catastrophe of astronomical proportions taking place? Will the Prime Minister not agree that while the approaches he has mentioned are very estimable, something on a much larger scale in the form of a much more highly co-ordinated world-wide effort must be organized if we are to face our responsibilities as citizens of this world?

Mr. Trudeau: Yes, Mr. Speaker.

Some hon. Members: Hear, hear!

Mr. Trudeau: Thank you very much.

Mr. Hees: That was not for you, Pierre.

Mr. Bell: You are not on a trip now.

Mr. Trudeau: The government has indicated to the government of India that it has experts available if it needs experts to help, as the Leader of the Opposition just said, assess the situation. But the opinion of everyone is that the situation now at this stage has been fairly well assessed and for the moment the needs are well known. It is a matter of meeting these needs, and Canada is contributing in meeting these needs in co-operation with others in the way I have just said.

* * *

[*Translation*]

INDUSTRY

QUEBEC—FINANCIAL DIFFICULTIES OF SOMA—BANKRUPTCY OF AUTOMOBILES MANIC LIMITED—REQUEST FOR FEDERAL AID

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the Minister of economic development.

Considering the difficult situation in which the Soma plant—la Société de Montage Automobile Soma Inc.—finds itself as well as the bankruptcy of Automobiles Manic Ltée—maker of Canadian cars—has the minister been consulted, or has he been requested to provide financial assistance to prevent the closure of this company or to improve the situation in which the Soma finds itself?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, the name of my department is the Department of Regional Economic Expansion.

There have been discussions between my department and Manic company and we have awarded them an extremely generous grant. Unfortunately, they still have financial problems. I know that the provincial government is especially interested in that case and I hope there will be a solution. As for me, I can hardly do more regarding financial assistance since there would then be disparity in relation to the invested capital.

As for the Soma plant, Mr. Speaker, I shall inquire about its present situation.

* * *

[*English*]

CONSUMER AFFAIRS

OIL COMPANY PRICE INCREASES—GOVERNMENT ACTION TO REQUIRE COMPLIANCE WITH RESTRAINTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Prime Minister. In view of the report handed to the government some time ago by the Prices and Incomes Commission to the effect that four major Canadian oil companies have been in violation of the government's price restraint program, is it the intention of the government to take steps in the near future to require these companies to comply with these price restraints?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I will take notice of this question on behalf of the Minister of Consumer and Corporate Affairs.

Mr. Hees: Mr. Speaker, I have a supplementary. As this report was made to the government, not to the minister but to the government, some time ago and obviously has been discussed, according to all reports, extensively by the cabinet, can the Prime Minister not give a report to the House now in view of the fact that the government's action or lack of action in this regard will have a considerable effect on any possible price restraint program the government may have in mind for controlling the present inflation?

Mr. Trudeau: Yes, Mr. Speaker, the report was made to the government, but the minister who answers to the House in this regard is the Minister of Consumer and Corporate Affairs and in this government we like to share our responsibilities.

Mr. Hees: You like to duck your responsibility in reporting for the government and you know damn well you do.

* * *

EXTERNAL AFFAIRS

REQUEST FOR STATEMENT ON NATO FOREIGN MINISTERS' MEETING

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to ask the Prime Minister a question. Considering that the NATO council discussions have concluded and as the Secretary of State for External Affairs is not due back in the House for a week, will we be having a statement on motions about the meeting of this body which some of us consider to be rather important?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I apologize, but in the hubbub I did not get the consideration of the question. I do not know what body the hon. member is referring to. Perhaps he would assist me by telling me the body he is talking about.

Mr. Macquarrie: Mr. Speaker, I am sorry he is so detached about NATO which is a fairly important world organization. In light of the fact that the minister is not due back in the House for a week and since the meetings are concluded, will there be before the minister's return a statement in the House on those discussions and Canada's role therein?

Mr. Trudeau: No, Mr. Speaker.

* * *

UNEMPLOYMENT INSURANCE

DIFFICULTY OF FISHERMEN DISCHARGED BY ACADIAN FISHERIES IN OBTAINING BENEFITS

Mr. Barry Mather (Surrey-White Rock): Mr. Speaker, I had a question I wanted to ask the Minister of Labour but perhaps in his absence I could direct it to his parliamentary secretary. It has to do with the fisheries union situation in the Maritimes. Why have such a large number of fishermen who were fired by Acadian Fisheries prior to the end of March experienced such unusual and prolonged difficulty in establishing benefits at the Unemployment Insurance Commission office in Nova Scotia?

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): On the contrary, Mr. Speaker—

Mr. Speaker: Order, please. If the parliamentary secretary can answer the question briefly he will be allowed to do so, but the hon. member has asked a question in a form which I suggest is not acceptable. He is asking the government to explain why certain things have happened, and a question in those terms is not normally acceptable. Normally it should be replied to by way of a general statement on motions. However, as I have suggested, if the parliamentary secretary can answer briefly he will be allowed to do so by the Chair.

Mr. Perrault: Mr. Speaker, the Unemployment Insurance Commission found claims for 35 workers in this particular matter. Of these, four went off claim, six qualified for seasonal benefits, three qualified for regular benefits, nine qualified for year-round fishing benefits—draggers—and 13 did not qualify because of insufficient contributions. There is a very lively interest on the part of the Unemployment Insurance Commission in seeing that full justice is done these men.

* * *

[*Translation*]

INDUSTRY

CHEMCELL LIMITED—MEASURES TO PREVENT CLOSING OF MONTMAGNY PLANT

Hon. Théogène Ricard (Saint-Hyacinthe): Mr. Speaker, I should like to put a question to the Minister of Regional Economic Expansion.

Would he say whether special steps have been taken to prevent the impending closing of the Chemcell plant in Montmagny which would result in the dismissal of some 200 workers?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I have learned, as the hon. member, of the eventual closing of the Chemcell plant in Montmagny. The company itself has made no request for assistance either to the Department of Industry, Trade and Commerce or to my department. And the main reason for the shutdown would be a market trend toward knitwear rather than fabrics.

So, Mr. Speaker, since the company has not requested any assistance, I do not see how I could run after it to give it assistance that it has not requested.

* * *

[*English*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—BREAKDOWN OF GRANTS BY PROVINCES—JOBS CREATED

Mr. James A. McGrath (St. John's East): Mr. Speaker, I have a question for the Secretary of State. Since the selection of summer programs under the Opportunities for Youth program has now been completed, can the minister tell the House the amount of funds allocated to each province under the program?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I have already said that as soon as the complete list of all projects to be approved is ready, it will be tabled here, including the figures on distribution by regions.

[*English*]

Mr. McGrath: Mr. Speaker, I have a supplementary question. Is the minister now in a position to tell the House how many jobs have been created under the program to date?

[*Translation*]

Mr. Pelletier: Mr. Speaker, once again it would be an approximation since the figures will not be known exactly before the list is completed. Even then we shall not be able to tell how many jobs were created as a secondary effect of the program. But as for the jobs directly created, we shall give figures as precise as possible when I table the complete list of approved projects in the House.

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I have a supplementary question.

Would the minister tell us whether the people have been advised in some way that their projects had been approved?

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, there are very few approved projects whose approval has not been communicated to their initiators. However, there are a few because, as I have already informed this House, we had to maintain some sort of a "cushion" in order to be able to meet unexpected requirements or situations. Therefore everything has not been completed, but I can say that there are very few projects concerning which the promoters have not been informed.

Inquiries of the Ministry

Mr. Jacques-L. Trudel (Montréal-Bourassa): Mr. Speaker, I would like to ask a supplementary.

If there are few projects left at this time, could the minister say when he expects tabling the final report in the House?

Mr. Pelletier: Very shortly, Mr. Speaker.

* * *

[English]

BROADCASTING

POLICY ON ISSUANCE OF LICENCES TO AGENTS OF CROWN IN PROVINCES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, on Thursday, June 3, I asked the Prime Minister whether there had been any change in federal policy on the issuing of broadcasting licences. In view of the Prime Minister's earlier reply to a question this morning relating to social and income security policy, to the effect that all provinces should be treated equally, can the Prime Minister explain the difference and distinction between federal policy in the issuing of broadcasting licences to agents in right of a province, and how that licencing policy applies to educational institutions compared with cablevision stations?

Mr. Speaker: Order, please. Again the Chair will allow the Prime Minister to reply briefly to the hon. member, but when the hon. member invites a member of the government to explain why such and such a situation exists he is really inviting a statement which normally ought to be made on motions. The hon. member at that point is not seeking information but is rather inviting a debate or argument back and forth between himself and the minister responsible. I always hesitate to make these interjections because they take so much time. It might be easier to say nothing and allow the Prime Minister to reply. However, I have again tried to make the point, and I suggest to the Prime Minister that he might reply briefly to the hon. member's question.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member is referring to the situation he described in his question some days ago, I understand that the purchase was not by any government, but mainly by insurance companies. Therefore it is a private purchase. As to the matter of licence and permit, there has been none issued. Of course they will appear before the CRTC, as everyone else does, and then we will see what the decision is.

Mr. Nowlan: Mr. Speaker, I appreciate your earlier admonition about argumentative questions, but on a point of order before I come to my supplementary may I point out that questions do become argumentative when answers are perhaps not responsive to earlier questions—

Mr. Speaker: Order, please. That is not a point of order, and the hon. member could not know what the reply would be when he asked the question.

Mr. Nowlan: Oh, yes, I did.

[Mr. Pelletier.]

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Nowlan: I did know.

Mr. Speaker: Would the hon. member, in any event, return to the matter and ask a question rather than rise on a point of order.

Mr. Nowlan: I will return to the supplementary, but I know the answer to the question—

Mr. Speaker: Order, please. The hon. member should understand that he is given the floor for the purpose of asking a question. If we get involved in points of order and questions of privilege we lose quite a bit of time. However, I have no objection to the hon. member asking a supplementary.

Mr. Nowlan: On a question of privilege before I come to the supplementary, Your Honour implied that I was perhaps being a little facetious in saying I knew the answer of the Prime Minister before he gave it. In my original question I deliberately referred to the answer of the Prime Minister on June 3 when he said, among other things;

> I do not believe the sale to which the hon. member refers is in any way an encroachment—

Mr. Speaker: Order, please. I will not allow the hon. member to continue further on a question of privilege or point of order. It is as simple as that. He has been recognized for the purpose of asking a question. He has the same rights as all other members of the House. His right at the present time is to ask a question, and supplementaries if he wants to. I would be quite prepared and delighted to allow him to ask supplementaries.

Mr. Nowlan: I will not pursue the matter at this moment but I thank Your Honour—Your Grace—for the privilege of asking a supplementary. Without trespassing too far, but because this is a most important question which could have been raised on the constitutional issue—

Some hon. Members: Oh, oh!

Mr. Nowlan: This is my question, if some of those opposite will listen including, I hope, the Prime Minister and the Secretary of State.

An hon. Member: We are on pins and needles.

Mr. Nowlan: In view of the application now before the CRTC as of May 31, set out in part as an application by Caisse de Dépôt et Placement du Québec—I guess that is the Quebec Deposit and Investment Fund—which under section 4 of the act is set out as an agent of the Crown in the right of the province. Will the Secretary of State please explain to me or to the House how the Prime Minister can say that there has been no encroachment on federal policies on the issuing of broadcasting licences when the directive of his government on June 4, 1970, says that no such licence shall be issued to any agent of

the Crown in the right of a province—and I can read the regulations?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I do not see how there could have been any encroachment on the order in council mentioned by the hon. member since no licence has been issued. There has been a private transaction whereby some American interests were purchased by a group of Canadian interests. No licence has as yet been issued. The CRTC merely told the new group of owners it would process their application at the end of June and decide whether a licence will be issued in their favour. There has certainly been no encroachment, since no licence has been issued.

[*English*]

Mr. Nowlan: Mr. Speaker, I wish to direct a supplementary question to the Prime Minister. In view of the answer of the Secretary of State does the Prime Minister intend to modify or amend the cabinet directive of June 4, under section 27 of the Broadcasting Act, prohibiting the issuing of broadcasting licences to agents of the Crown in right of a province, which it was declared on June 4 could not be done?

Mr. Trudeau: Well, why should we amend it, Mr. Speaker?

Mr. Nowlan: On a supplementary, Mr. Speaker, partly because of the answer of the Prime Minister who stated earlier that all provinces should be treated on a basis of equality, by this directive of June 4, 1970, education institutions in Ontario, Alberta and Saskatchewan were eliminated—

Mr. Speaker: Order, please. I am sure the hon. member will recognize at this point that we are debating the issue as between the hon. member and the Prime Minister and the Secretary of State, and this is what I was humbly trying to suggest earlier should not be done. If the hon. member has a supplementary he might ask it now, and then I will have to go to other hon. members who are seeking the floor.

* * *

AGRICULTURE

SEIZURE BY QUEBEC INSPECTORS OF EGGS FROM OTHER PROVINCES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. In view of reports of action taken by government inspectors in Quebec who have raided food stores and removed eggs from the shelves which they alleged were imported from other provinces, has the minister been in consultation with the Minister of Agriculture of Quebec in order to discuss this action which is rather unprecedented?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I have not discussed with the Minister of Agriculture of Quebec the legality or otherwise of this action. What I have discussed with him and with other Ministers of Agriculture are ways and means by which we can avoid this happening again, or indeed escalating. I would hope the House would find it possible to respond to the request that has been made in that regard.

Mr. Gleave: In view of these new developments in the chicken and egg war, is the Department of Agriculture undertaking a crash research program in order to develop a new type of hen that will lay eggs identifiable as to the province of origin?

Some hon. Members: Oh, oh!

Mr. Olson: No, Mr. Speaker.

* * *

[*Translation*]

INDUSTRY

AUTOMOBILES MANIC LIMITED—REQUEST FOR INQUIRY INTO USE OF FEDERAL GRANTS

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I wish to direct my question to the hon. Minister of Regional Economic Expansion.

Having told me earlier that generous grants had been paid to Automobiles Manic Ltée, I ask him whether he intends to investigate the matter any further in order to determine whether some unscrupulous persons might not possibly have "pocketed" these federal government grants?

Hon. Jean Marchand (Minister of Regional Economic Expansion): No, Mr. Speaker, because had this occurred the matter would by now have been brought to court. We did investigate but not concerning problem such as that.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

NUMBER OF APPLICATIONS IN APRIL

Mr. Colin D. Gibson (Hamilton-Wentworth): Mr. Speaker, I wish to direct a question to the Parliamentary Secretary to the Minister of Labour. As the matter of unemployment is urgent, can the energetic and able Parliamentary Secretary to the Minister of Labour—

Some hon. Members: Oh, oh!

Mr. Horner: I'm glad you woke up, Rip Van Winkle.

[*Translation*]

Mr. Gibson: You could perhaps understand if you would listen.

[*English*]

Can the parliamentary secretary inform the House if applications for unemployment insurance increased or decreased in the month of April?

Inquiries of the Ministry

Mr. Ray Perrault (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I have a short reply to this question. Official figures have not yet been released but indications are that there were approximately 40,000 fewer claimants on benefits at the end of April than in the month previously and a marked reduction in initial claims received.

Some hon. Members: Hear, hear!

[*Later:*]

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have a supplementary question for the Parliamentary Secretary to the Minister of Labour. Can he tell the House how much of the 40,000 reduction in those getting unemployment insurance benefits was due to people going back to work and how much was due to the fact that people ran out of unemployment insurance benefits?

Mr. Perrault: Mr. Speaker, as I said earlier, the official figures have not yet been released—

Mr. Hees: Just the political figures.

Mr. Perrault: —but of the encouraging reduction in total of 40,000 fewer active claimants very few of them at that time of the year, could be expected to be off benefits because their benefits had been exhausted. There is an encouraging reduction in the number of initial claims received. Indeed, I know the opposition—

Mr. Speaker: Order, please. I suggest that this is debate between the parliamentary secretary and the hon. member asking the question.

* * *

FISHERIES

ACCEPTANCE OF CANADIAN POSITION RESPECTING BAN ON TAKING SALMON ON HIGH SEAS

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct a question to the Minister of Fisheries and Forestry. The minister has stated that the government has made known its views on deep sea salmon fishing at the annual meeting of the International Commission for the Northwest Atlantic Fisheries. Would the minister indicate whether all countries, except Denmark, accept Canada's position on banning the taking of salmon on the high seas?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, we requested a 20 per cent annual reduction in the Danish catch. Four countries finally voted against maintenance of the Danish vessel quota including the United States and the U.S.S.R.

Mr. James A. McGrath (St. John's East): A supplementary question, Mr. Speaker. Would the minister tell the House whether Canada's position, as placed before the ICNAF meeting in Halifax, on general conservation of the Atlantic fisheries resources met with any degree of success?

Mr. Davis: I would say yes, Mr. Speaker. We are certainly hopeful that the next law of the sea conference in 1973 will produce a total ban on all high seas fishing for salmon.

* * *

INDUSTRY

BOOK PUBLISHING—FEDERAL ASSISTANCE TO FIRM OF McCLELLAND AND STEWART

Mr. David Lewis (York South): Mr. Speaker, I have a question for the Secretary of State. Last Friday I asked the Prime Minister to give Parliament information on whether the federal government was invited to participate in financial assistance to McClelland and Stewart, the publishing house. The Prime Minister informed us that the Secretary of State brought the matter to the federal cabinet some time ago—

An hon. Member: Pierre Berton is going to buy them out.

Mr. Lewis: —and later said he would prefer that the Secretary of State tell us what he communicated to the provincial government of Ontario. Perhaps the Secretary of State could do that now.

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): Mr. Speaker, I have informed the Ontario government that the matter was under consideration by the federal cabinet and that no final decision had yet been reached. This is the only information I can give the hon. member today, because I think the decision will be taken only this week.

[*English*]

Mr. Lewis: Could the Secretary of State inform the House when the invitation from the Ontario government was received, how long the cabinet has been stewing over this relatively simple although very important problem and how soon, before McClelland and Stewart goes underground or is sold to Americans, the federal government may reach a decision?

[*Translation*]

Mr. Pelletier: Mr. Speaker, I shall be very happy to provide the hon. member with a complete schedule when I have had time to draw it up. It will be difficult, however to define what advising the federal government is, and if this can be done just by a phone call or if a more formal letter must be expected. But I also wish to point out before resuming my seat that the whole problem of Canadian book publishing was examined by the federal government and by my department in particular when we met publishers from across the country as early as January. But I think that the hon. member will not quarrel with me over my statement that a policy cannot be established on so sensitive a matter in a few days.

[*English*]

YOUTH

OVERSEAS STUDENT EXCHANGE PROGRAM—APPLICATIONS RECEIVED AND APPROVED

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Minister of Manpower and Immigration whether he can now answer the question I asked on Thursday as to how many applications have actually been approved by the countries concerned with regard to the international student summer employment exchange program?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I am obtaining that figure for the Leader of the Opposition, Mr. Speaker.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed, from Friday, June 4, consideration of Bill C-219, to establish the Canada Development Corporation, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Speaker: When the House rose on Friday, motions Nos. 3, 4 and 5 were under consideration. Is the House ready for the question on motion No. 3?

Mr. Randolph Harding (Kootenay West): Mr. Speaker, the amendment we are discussing at this stage of the bill will result in the deletion of paragraph (b) of subclause 2 of clause 6. It is a rather interesting amendment and the reason our party has proposed it is the fact that the clause now in the bill indicates that the Canada Development cannot invest in any company with less than $1 million worth of capital. The deletion of this paragraph would allow the corporation to invest in corporations with less than $1 million worth of capital. We think this is rather important.

To begin with, we feel it should be at the discretion of the directors to check into any operation. I point out that frequently these operations start in a small way and have trouble getting off the ground. They might not have $1 million in capital when the CDC is ready to invest. We feel that this restriction should be withdrawn. There is no doubt that small companies need help most of all and we will find quite frequently that if we cannot get assistance for them from the CDC they will probably remain small or even go under. It is in this particular field that the CDC could do a great deal of good. If these small operations cannot get some assistance from the Canada Development Corporation, where are they to get the money to expand?

I point out to the House again that the amendment also bars the CDC from starting a new industry based on a particular resource. I think this is wrong. One of the main objectives of a development corporation should be to look into the resource industries of this nation and see if it is not possible to have more fabrication of raw materials take place within our own country.

At this time I should like to refer to one or two instances in my province of British Columbia. There is a fair amount of copper mining in the province, yet we find that all the copper concentrates are shipped out of the province. It seems to me that this is an opportunity for the CDC to investigate and to see if there is not some possibility of having more fabrication of this particular raw material take place within the province of British Columbia. It seems ridiculous for these concentrates to leave Canada. Most of them go to Japan where the job-intensive industries are based as far as the fabrication of copper concentrates is concerned. It appears that the clause now in the bill would bar the setting up of an industry based on this particular source of raw material.

• (12:10 p.m.)

I have made this point before and I will make it again. For every job made available for a Canadian worker in the extraction of copper ore, the raw material necessary for the concentrates, many jobs are made available in those industries which undertake the fabricating of the raw material. It would help if we could even establish a copper smelter. There is sufficient ore in British Columbia to justify the establishment of a copper smelter. That, I believe, is where emphasis should be placed. We ought to reach into this field and provide more jobs for Canadian workers. We need only look at the unemployment figures in this nation to see the trouble we are in through our lack of secondary fabricating industries. We must take a more positive attitude toward the processing of resources within our own country.

Why should we stop at a copper smelter? Why not fabricate copper ingots in this country? There are tremendous sales potentials in Canada for copper wire which is relatively simple to manufacture. Here, again, is where the CDC could enter into the economic picture of Canada. It ought to move into this field and encourage the setting up of industries similar to the ones I have suggested. For example, it should encourage the manufacturing of copper wire which, as I said earlier, is relatively simple to produce. It could also become involved in the manufacture of copper pipe and related products. The farther down the line you go the more job intensive these industries become. That is the sort of emphasis we want to see with respect to an organization such as the Canada Development Corporation. We think it ought to invest in developments of this type.

May I draw to the attention of hon. members another raw material, again found in British Columbia—asbestos. There is a whole region around Cassiar where asbestos is found. However, every pound of asbestos mined is shipped from British Columbia to various countries throughout the world. Some of it even goes to countries in Africa which some of us say are backward. African

countries fabricate some of the asbestos that we ship from British Columbia. This is utter nonsense. If other countries can fabricate materials for their own use and for sale elsewhere, it is obvious that asbestos products ought to be fabricated in British Columbia and in other parts of Canada where the raw material is produced. Here is a role which the CDC ought to attempt to fill.

This is why we urge that paragraph (b) of subclause 2 of clause 6 be deleted. We feel this would eliminate a very unfair provision which seeks to limit investment by the corporation to firms with more than $1 million in capital. The two examples I have cited to the House, copper and asbestos, show what can be done if we have the will to do what is necessary and the determination to insist on the setting up of small or medium-sized industries in Canada to fabricate some of the raw materials found in our own country. I contend, and the members of my group have been pressing this point for a long time, that unless we insist on more fabrication within Canada, there will be a large mass of unemployed with us for many years to come. I urge hon. members to take another look at this clause and to accept the amendment we have offered to the House for the deletion of that particular paragraph.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I rise to support the amendment proposed by my colleague on Friday. It seems to me that this bill has had a longer period of gestation, a longer period of pregnancy, than any bill which has been considered in the history of the Canadian Parliament. The proposal to establish a Canada Development Corporation was brought forward by the Liberal party in the election of 1962. It was included in virtually every throne speech that has been made since that time. Nothing was done to bring down the bill and nothing was done to implement the idea despite promises contained in throne speeches and in the speeches of men like Hon. Walter Gordon, the present Minister of Finance (Mr. Benson), former Prime Minister Lester Pearson and the present Prime Minister (Mr. Trudeau). As I say, nothing was done to implement the idea, for reasons that are fairly obvious to anyone who has thought about the question. Nothing was done because the Liberal party and the Liberal government did not believe that such a corporation was necessary.

The Liberal party has indicated in speeches, in its policies for development and in its tax programs that it believes in the principle of the continental development of Canadian resources. If the objective is a policy involving the continental development of resources, be they oil, gas, copper, zinc, nickel or asbestos—the hon. member for Kootenay West (Mr. Harding) referred to asbestos—it does not matter whether the companies developing these resources are owned by Canadian, American, German or Japanese corporations. It does not matter whether these products are taken out of the ground and shipped in their unrefined state to some other country or whether the processing of the copper, nickel, zinc or iron ore, or of gas and oil through the establishment of a petrochemical industry, is undertaken in Canada. As I say, that does not matter, and that is why there was a hiatus of almost ten years between the idea of a corporation and the implementation in this form of that idea.

We of the New Democratic Party first proposed the establishment of such a corporation or of such a fund, if you like, at the founding convention of our party in 1961. We did not propose the establishment of such an organization simply because we wanted another mutual fund—and I will talk about that later. There are already some very successful mutual funds in the country. We thought of this organization in terms of it using Canadian money to develop the resources of Canada in such a way as to provide jobs for Canadians. We wanted it to develop Canadian resources, particularly in traditional slow-growth areas such as the Maritimes, parts of western Canada and eastern Quebec where, for a variety of reasons, the people have not benefited from the substantial and rapid development of Canadian resources and Canadian industries. We proposed the establishment of such an organization because we believed that only a publicly-owned corporation could bring the benefits of such developments to all the people of Canada.

• (12:20 p.m.)

All our reasons for proposing this kind of development are being consciously or unconsciously ignored in the proposals made by the government. From reading the bill and listening to the government spokesmen, all that is really proposed is another massive giveaway to Canadian and, more important, foreign corporations that have benefited so much from the wealth of Canada which ought to belong to all Canadians.

The Canada Development Corporation, as proposed by the government, will not accomplish any of the ends it ought to accomplish. The minister has repeated ad nauseam that it will be required by law to invest in companies which make a profit. That being the case, it will not be able to invest in the establishment of industries in slow growth areas where the chances of making a profit are smaller than in the area from Windsor to Hamilton and Toronto. By government direction, there will be a further infusion of funds into those areas which have had the highest and fastest rate of growth in the past 25 years. As these companies are required to make a profit, the corporation will not help the slow-growth provinces. I am not too critical of what the slow-growth provinces have done. In their desire to improve employment opportunities, these provinces have invested large sums of money in companies which are likely never to make a profit. As they are not likely to make a profit, the Canada Development Corporation will not be able to invest in them.

I wish to give one example in my own province. Under the aegis of the former Conservative government of Manitoba, there was a proposal to establish a pulp and paper mill at The Pas, Manitoba. The corporation, Churchill Forest Industries, was established. To date more than $100 million has been invested in that company. In order to induce that company to come to Manitoba, tremendous concessions were made. The company was given the right to cut timber in a very large percentage of the

total area of Manitoba. They were given this right with the condition that the fees they would pay for cutting timber would be substantially less than those which any other company in the province has had or will have to pay.

This company is not yet fully in operation. The bulk of the $100 million which the company has received has come from the people of Manitoba, through the government of that province, by direct grants and loans at subsidized rates of interest. Hon. members who question my judgment should read the book recently published by the associate editor of the *Financial Post*, certainly not a very radical organization, which deals with the ramifications of this development and others. It is likely that this company will never make a profit. The losses will be carried by the people of Manitoba who have put up all the real capital which has gone into the corporation. If, on the other hand, there are profits, and this is very unlikely, these will go to the promoters who, according to the associate editor of the *Financial Post*, have not put much, if any, cash into this project.

This is one of half a dozen illustrations which the associate editor of the *Financial Post* deals with in his book. I have used it to show that the prospect of this company making any profits is so small that, by the terms of the bill, the Canada Development Corporation will be precluded from investing any money in it. Despite the social benefits to be derived by the people of Manitoba, particularly the native people of northern Manitoba of whom there are a large number in the vicinity of The Pas, the government and the people of Manitoba will not be able to get any money from the Canada Development Corporation because it is not likely that this will be a profitable corporation.

When speaking during the debate on second reading of this bill I used the example of the steel mill at Sydney. This mill consistently lost money when it was privately owned. It was taken over by the government of Nova Scotia. With a high rate of unemployment in Nova Scotia, the government could not contemplate closing the mill with the consequent loss of several thousand jobs. There has been a fantastic change since the government of Nova Scotia took over this mill. The steel mill is making money. It is manufacturing products for which there is a ready market in Canada and other countries. The company is now employing more people than when the Conservative government of Nova Scotia took it over. However, the provision in this bill, which requires that a company in which the Canada Development Corporation invests must either be making a profit or show that it can make a profit, would preclude the Canada Development Corporation from investing in this steel mill which was taken over from Dosco and is being operated as a publicly-owned corporation.

• (12:30 p.m.)

There is another serious defect in this bill. We now have a large number of profitable Crown corporations which are very important to this country. I wish to mention some of them: Polymer Corporation, Eldorado Nuclear Corporation, Northern Transportation Corporation, Air Canada and the Canadian Overseas Telecommunication Corporation. These corporations which belong to the people of Canada earn profits that accrue to the benefit of all the people of Canada, and what the minister is proposing, what is implicit in the bill before us is that some or all of them should be turned over to the Canada Development Corporation.

The government also proposes that the corporation shall be a joint enterprise carried on between it and private enterprise. To the extent that private capital is invested in the corporation and to the extent that private investors will derive benefits in the form of dividends or earnings which are plowed back into the corporation, the benefits derived from existing Crown corporations or others which may be taken over in the future are removed from the people of Canada as a whole. In other words, a gift is made of them to that very small number of Canadian citizens, estimated at 7 per cent, who will be able to invest in the Canada Development Corporation. Again, what the government proposes to do is to help those who have already profited most from the development and expansion of this country.

Not only does the bill discriminate against the people of Canada generally in the way I have shown, but it discriminates specifically and directly against the small businessman, against the new, aggressive, young entrepreneur who has an idea for developing an industry which might provide employment. It discriminates directly against that kind of person because it provides that the corporation shall not invest in companies which possess assets amounting to less than $1 million. Surely the kind of person to whom I have referred is the man we should be seeking to encourage by providing capital where necessary and where such a course is justifiable. Surely we should help to get him established. But what the government says in this bill is that people who really need help may not be helped. What this bill sets out to do is to assist the giant corporations, Canadian and foreign, which have already benefited so greatly from our policies in terms of investment and in terms of tax concessions.

I hope the government will give fresh consideration to what it is proposing to do even at this late date in light of the speech made to the Canadian Economics Association by the former Minister of Communications, the hon. member for Duvernay (Mr. Kierans). I refer to the speech he made last week in St. John's, Newfoundland. The Toronto *Star* reported that when the hon. member for Duvernay concluded his speech to some 300 or more of the top economists in the country something almost unheard of happened—he was greeted with a standing ovation, something which economists do not usually accord to speakers. I assume that the Minister of Finance (Mr. Benson) and his parliamentary secretary have had an opportunity to read that speech. I do not believe I was the only Member of Parliament who received a copy of the speech in his mail box. The subject which the hon. member raised concerned taxation and the manner in which our tax system works. I realize this is not a budget

debate, Mr. Speaker, but the conclusions which are drawn—

Mr. Speaker: Order. I have to interrupt the hon. member, his time having expired. He may continue his remarks with the agreement of the House.

Some hon. Members: Agreed.

Mr. Orlikow: Thank you, Mr. Speaker. I certainly do not have time in which to put on record all the many important points the hon. member for Duvernay made in his speech, but I should like to draw attention to some of the figures he cited which were derived from government publications, from reports made annually under one of our laws which requires both labour unions and corporations to file with the government detailed information on their financial operations.

The hon. member for Duvernay pointed out that in the years between 1965 and 1968 inclusive the metal mining industry in this country recorded book profits of $1,707 million while the income on which it paid taxes was only $222 million. In other words, it paid taxes on only 13 per cent of its profit. I would remind hon. members that these figures relating to profits were submitted to the government by the industry itself, so they are certainly not exaggerated in a way which would bring shame on it. The mineral fuels industry recorded a book profit of $775 million and the income upon which it paid taxes was only $45 million. It paid taxes on 5.7 per cent of its profits. Other mining concerns showed book profits of $374 million and paid tax on a taxable income of only $120 million, 32 per cent of their profits. Manufacturing industry as a whole showed book profits of $12,745 million and paid taxes on $8,052 million, or 63 per cent. Look at the difference—only 13 per cent for metal mining and 63 per cent for manufacturing. The retail trade recorded profits of $1,620 million and paid taxes on 90 per cent amounting to $1,445 million.

If we look at book profits and taxable income by size of corporation we notice some very significant things. Companies that had profits of less than $1 million in 1968 had book profits of $809 million and paid taxes on 76 per cent of those profits, namely on $612 million. Companies that had profits of $5 million to $25 million had average book profits of $1,265 million and paid taxes on only 64 per cent of those profits, namely on $810 million. Companies that had over $475 million profits had book profits of $4,145 million and paid taxes on only 47 per cent of their taxable income, namely $1,960 million. In other words, our taxation system is already designed to benefit the larger corporations which more and more are foreign owned.

• (12:40 p.m.)

What do the Minister of Finance and the government of Canada propose to do with the Canada Development Corporation? This is a bill which again benefits in the main the large corporations since corporations with assets of less than $1 million are excluded from its provisions. Once more money invested by the people of Canada will in the initial stages, as a result of deliberate government policy decision, go to those corporations that already have benefited so markedly from Canadian taxation policy.

It seems to me that this cannot be justified on the basis of equity, on the basis of justice, or on the basis that it is an attempt to deal with large-scale unemployment in this country. Surely we ought to be trying to encourage the smaller companies in Canada which, as the hon. member for Duvernay pointed out in his speech, are much more labour-intensive rather than the larger companies that are so markedly capital-intensive. We should be helping the smaller companies who need help the most. For the money they receive they will employ more people than the large companies, which already have the money that they need, are largely capital-intensive, and as a result do not employ as many people.

I suggest that we should reverse our direction and direct, either by law or by regulation, that the bulk of this money should go to public investment, either in co-operation with the provinces or the municipalities, or with co-operatives or small private companies. If we adopt the proposals of the government we are doing the exact opposite of what we ought to be doing. Our amendments Nos. 3, 4 and 5 are designed to reverse the order of priority and to put the emphasis where it ought to be put, namely, in the public sector, with small businesses rather than large businesses. I therefore urge hon. members regardless of party to vote for the amendment proposed by this party.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to say a few words regarding the Canada Development Corporation and the amendments that are before the House. Never before have we seen a bill about which so many people have so many different ideas and concepts regarding what the bill will and could do. Some people see this legislation as the way to buy back Canada. Some feel it is a way for Canadians to invest in Canada, as if there were now no other way available. Others feel it is a way for the Canadian government to help some of the small industries and smaller corporations. Still others feel it is a way in which we can further develop our mining industry and the secondary manufacturing industry that springs from the mining industry.

We have had on the books for a long time now the legislation setting up the Industrial Development Bank which is prepared to lend money to industry anywhere in Canada at the going rate of interest in order to help and encourage development of industries within Canada. There has been in operation now for the last three or four years the Regional Development Incentives Act under which grants are given to encourage industry in various regions of Canada. Significantly the Department of Regional Economic Expansion does not draw the line regarding who will get these grants; it makes grants to any company that feasibly can apply, be it an American, Belgian or French corporation, and in some cases it may be a small Canadian concern. However, in most cases the money is lent to foreign concerns who wish to develop manufacturing industry in one form or another in Canada.

If we as Canadians really want to see Canadians take a greater part in the development and ownership of Canada, the onus is on the government to direct all its energies to this end instead of presenting legislation that encompasses the idea and concept of ownership but very little else. For Canadians wishing to invest there is CPI, Canadian Pacific Investments, which is encouraging investment by Canadians in Canada. I am sure there are many other large firms that are, in essence, conglomerates spreading their investment portfolios over many aspects and sectors of the Canadian economy.

We are told that the Canadian government wants to ensure there will be resource development. The government wants to see a strong manufacturing sector and Canadian identity connected with our communications industry. How will the Canada Development Corporation establish and maintain these objectives? As I have pointed out on a number of occasions, the Canada Development Corporation idea and concept is not a new one. In 1963, in his budget speech to the House, the then Minister of Finance proposed the idea. It was soundly thumped, one could almost say, by the investment corporations throughout Canada and the then Minister of Finance dropped the idea. I think he dropped it at that time because at the same time he also brought in some penalty clauses regarding investment in foreign companies and in foreign companies operating in Canada. These he had to withdraw, so at the same time he dropped the idea of a Canada Development Corporation, feeling, I suppose, that Canadians would be reluctant to invest in a company designed, perhaps, to buy Canada back, to be a buyer of last resort. Or perhaps he felt it might be taken as being a buyer of last resort.

We are told that the Canada Development Corporation will not be a buyer of last resort, that it could hardly have helped out in the case of Dosco in Sydney, Nova Scotia. In that case the provincial government, with the help of the federal government, stepped in as a buyer of last resort and took over a failing steel industry. The takeover, according to latest reports, has been quite successful. But the Canada Development Corporation would not have done this because its main objective will be, we are told, to make a profit. It is actually well understood that if it does not make a profit it will not induce or encourage very many Canadians to invest. In the initial stages the Canadian government is to be the major shareholder, and we are told will no doubt remain the major shareholder throughout the life of the corporation. It may reduce its percentage of investment to 10 per cent, but it will not likely reduce it further.

• (12:50 p.m.)

The idea or concept is for the Canada Development Corporation to create a pool of capital and of entrepreneurial skill to encourage Canadian interest. How successful will this be? Will it be influenced by national interests to purchase Canada back and maintain a place for Canadians to invest in Canada, or will it really be guided by its interest in making a profit at the expense perhaps of not being a buyer of last resort?

It is interesting to debate this question with people across the country who have great hopes and aspirations for the CDC. Many of them actually view it as a buyer of last resort and as a corporation which will allow Canadians to invest in Canada, thus maintaining a high degree of Canadian content in our industries. It is interesting to note what the Parliamentary Assistant to the Minister of Finance said as recorded at page 6391 of *Hansard* for June 4. He was referring to shareholders and directors who will be appointed from the public sector. He said, meaning the government:

> Thus, it will always be in a position to exercise the degree of influence on the over-all policies of the corporation—

What will be the government's wish? Let us suppose this corporation does not get off the ground too efficiently and the directors find they must invest in an enterprise that is not wholly Canadian. Let us suppose they want to invest in some other area which is not readily going to maintain Canadian content, or that they would not buy a company which in essence was failing. Canadians across the country might well get into the field of politics and apply this particular question to these great hopes. Then the government would have to exercise its influence on the Canada Development Corporation. The corporation would then have to invest in a failing company, whether it be McClelland and Stewart of the publishing industry or a manufacturing company in another part of Canada.

We can foresee a great deal of difficulty keeping the Canada Development Corporation out of the political sphere and solely in the investment sphere. If it is not kept out of the political sphere, shrewd Canadians will be reluctant to invest in the Canada Development Corporation which may have to bend to the wishes of the people prior to an election and use Canadian investors' money in an area which will not show a satisfactory profit.

I should like to think Canadians are shrewd investors and want to place their money where it will bring the highest return. The Canada Development Corporation does not lend itself that readily to fulfilling every aspect of that idea. It will be tied down by a heavy investment influenced by the Canadian government through directors. It will then be driven out of the private sector. As the Parliamentary Assistant to the Minister of Finance said, the government will always be in a position to occupy a degree of influence over the policies of the corporation. This will make the corporation inoperative in the sense that it will really never have the opportunity to make Canadian investments. The government will always maintain dominance in respect of investment capital in the corporation.

There is another aspect of the bill which is distasteful in many respects. The corporation is to invest in companies which already have $1 million in capital investment. This is a young country with great potential. If one looks at the corporation registries across Canada one will see that approximately 82 per cent of our corporations have a net taxable income of less than $35,000. This gives some idea of the large number of small corporations in Canada. Some of them are very sound and could use a great deal more capital investment.

I do not know why, when the sponsors of the bill were so anxious that the Canada Development Corporation should invest in and encourage investment in Canada they should limit investment to corporations with $1 million or more in capital. We must remember that our manufacturing industries, our communications industries and, for that matter, resource industries started out with a lot less than $1 million in capital investment. It is beyond me why this corporation should be so limited. If the directors possess sound investment knowledge and use as their sole measure the amount of profit to be made, the corporation should be in a position to invest in smaller companies. Many Canadians feel that the corporation will in fact be a buyer of last resort. If the corporation is to be geared to create Canadian content, it should be able to invest in companies no matter what their financial size.

Mr. Knowles (Winnipeg North Centre): One o'clock.

Mr. Speaker: Order, please. It being one o'clock I do now leave the chair. The House will resume at two o'clock this afternoon.

At one o'clock the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Horner: Mr. Speaker, before the adjournment at one o'clock, I was dealing with some of my fears about the Canada Development Corporation which Bill C-219 would set up. I should like to deal with one more point before I conclude. The Canada Development Corporation, as I understand it, will be a Crown corporation which will be in competition with private industry. Yet, it will be run and managed by directors appointed from the private sector who will be knowledgeable, I would assume, about investments within Canada. I wonder whether the Minister of Finance (Mr. Benson) or his parliamentary secretary could inform the House where they will find unbiased, neutral and knowledgeable people in the industrial world who will direct the Canada Development Corporation without any tendency to slant the direction toward their own particular interests.

Such people may be directors of half a dozen other companies. If one studies the directorship stratosphere within our society, one can readily see that a director of a chartered bank in Canada can also become a director of Canada Packers, one of the largest meat packing companies in Canada, and half a dozen other companies. Naturally, a bank has a tendency to lend in the direction in which its directors would perhaps encourage it to lend. How will the Canada Development Corporation be run in competition with private enterprise when its directors are appointed from the private sector and are more than likely men who either directly or indirectly have investments in large corporations which are operating in Canada? It is obvious that not only will the Canada Development Corporation be prohibited by the act from investing in small corporations but will also tend to make investments along the lines suggested by its directors and along the lines of investments with which they may personally be directly or indirectly involved. I say that without doubt, for this reason, the CDC will be enticed into investing in large corporations, not small corporations, which may not be in dire need of additional investment capital. When I say "dire need", I mean need which could not be met by other means.

• (2:10 p.m.)

Under the Income Tax Act, 82 per cent of the corporations operating in Canada are classed as small corporations. Many of them are in need of investment capital but will be prohibited from receiving any investment by the CDC. Will a Crown corporation operate more efficiently in a conglomerate field than a private concern? I doubt whether it can. This will be nothing more than a Canadian mutual development fund, and sometimes such funds run into heavy costs hiring professional and entrepreneurial skill.

For these and other reasons, I believe many Canadians will be sadly disappointed at the over-all effect of the corporation in attempting to promote a strong manufacturing sector and encouraging strong resource development. They will even be sadly disappointed at the lack of success in setting up a truly Canadian communications industry. I believe all these things could be much more readily and easily accomplished through better taxation policies which would encourage Canadians to invest in Canada and which would leave Canadians with some surplus profit to invest in Canada.

The taxation and economic policies of today and yesterday have deprived many Canadians of the resources they otherwise might have had to invest in their country. They have resulted in large scale unemployment. People have little money to invest in the manufacturing sector. This is a cause of much of the unemployment. This legislation, and the proposed CDC will do little to rectify it.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I support this amendment because one must assume that if the CDC is to do an effective job and contribute to the real growth of the Canadian economy, this clause as it stands inhibits any real choice of action on the part of the corporation. One factor which we should consider with respect to such a corporation is the importance of research and development.

Recently, I talked to an engineer who is also a scientist. I have no reason to doubt what he told me when he said that the reason for the lack of employment opportunities for many university graduates is that we do not have research and development establishments in Canada to give scope to their knowledge and training, incidentally training in which we have invested a great deal of the taxpayers' money. Unless we have trained people who spend their time on new developments and innovations, we will not share properly in the technological advance which is part and parcel of the developing societies of

the world. Who is to say that all of these innovations, all of the action will take place in corporations which have, let us say, $1 million or more invested in them? I recall that Canadian Co-operative Implements in Winnipeg started with a great deal less money than that. It developed a farm machinery industry which was peculiar to Canada, in fact peculiar to western Canada. It developed machines that were suitable for use in western agriculture. I could name other such firms in Yorkton, Saskatchewan, in Calgary and in Regina.

Recently we spent a lot of money on the Barber Commission investigating what could or should be done to lower farm machinery costs, and as a result lower production costs. One of the recommendations made by the commission was that we should import farm machinery that had been manufactured more cheaply in countries outside Canada, indeed in countries outside the North American continent. In Canada, we have a grain production area which, on occasion, has been labelled the breadbasket of the world. Does it not give one pause to wonder why we have to import machines to do the cultivation and the harvesting of the crops in that area? Ever since the Prairies came into production at the turn of the century, we have been producing food in that area. Does it not tell us something about the lack of capital, the lack of development and of research in that area when today we are told we should import the machinery to produce that food? If the people in charge of this development corporation are to do something about this situation, they must be willing to assist small businesses that are prepared to go ahead and develop farm machinery manufacturing within Canada.

• (2:20 p.m.)

I expect there is some reason for this clause, but surely this government agency must be prepared to take the same risks as are taken by individual businesses. In the development of a new product or new methods, nothing is certain; sometimes you succeed and sometimes you fail, but if we are to develop this kind of corporation we must take the risk of success as well as failure because both attend upon the endeavours of human beings.

We can look beyond the farm machinery question to developments in other parts of the country and, I am sure, find the same need for innovation. New concepts can be carried to completion giving Canadians a larger share in the ownership of the manufacturing industries and in the development of the country. This should surely be the prime objective of a Canadian development corporation, to increase the productivity of Canada and the share of ownership of these companies by Canadians. If it is to be a corporation to gather together what is already here without providing initiative, its success is questionable; we could even ask whether it should be done at all. We do not need to spend time and effort gathering everything we have already developed into one package so that those in charge can say, "Look how much we have done." It is in the area of new projects and new ideas of development that the Canada Development Corporation would be able to make an important contribution to the economy.

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, I have my doubts about the suggestion that we in this Parliament should form a Canada Development Corporation. I have doubts for five specific reasons which I shall now state. Since I do not propose to make another intervention in this debate, I hope that if my argument takes me a little past the time allotted my colleagues will be kind enough to remember that I am not really long-winded but would like to state my argument in one piece.

My first reason for being against the concept of the Canada Development Corporation as set forth in the bill before us—I want to make it plain that I am not against another bill that might accomplish the Canadianization of our development—is that conglomerates are not likely to be profitable. We have been told over and over again that profitability is one of the objectives of the Canada Development Corporation. It is not going to prop up ailing industries or take cripples under its wing; it is going to plow ahead with those Crown corporations that have proved successful, not those that have proved over the years that they need money to keep going. I shall advert to this point later.

I think we should consider the successes and failures of conglomerates in our times. When Professor Edward D. Maher of the University of New Brunswick appeared before the Standing Committee on Finance, Trade and Economic Affairs he made reference to an article in the May 9, 1970 issue of *Business Week* which reads in part:

> Conglomerate managers are now obliged to produce earnings growth from existing operations, and it has become quite obvious that the shrewdness, imagination and gall that make a man an empire builder do not necessarily make him a skilled manager.

I refer anyone who is interested in this question to the longer exposé in *Business Week*. It simply proves how many disparate things one can gather under the same roof in order to try and run a successful and viable conglomerate, but this may not prosper as much as if the parts were run separately. This leads me to suspect that managerial ability might be found if you can find managers of things in which they have expertise, but that ability is not likely to be found if you suggest that they administer the whole world. My point is that conglomerates are not likely to be as profitable as industries broken down into individual segments.

One of the purposes of this bill is to lump three or four industries under the Canada Development Corporation right from the start. Experience alone should suggest that we in this Parliament exercise great care in voting on this bill. Interesting studies are being carried out by professors and other learned people in universities—

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member. He is making a very useful contribution to the debate, but it seems to the Chair that he may be going a bit further than he is entitled to under the particular amendments that are before the House. The hon. member knows that we are at the report stage

of the bill and at the present time there are three motions before us for consideration. I might refer to them very quickly. The effect of motion No. 3 would be to change the objectives of the company in the respect that it:

shall be carried out in anticipation of profit and in the best interests of the shareholders as a whole.

The amended clause would read:

and shall be carried out in the best interests of the people of Canada.

The next motion would delete the subclause setting out the objectives of the company which as it stands now has the effect of requiring an investment of at least $1 milion or more. The third motion before the House would change the word "company" to "Canadian nation". While the latitude allowed is fairly wide, I know the hon. member will keep this in mind.

Mr. McCleave: Mr. Speaker, I thought that my remarks were directed toward the question of whether the objective of the Canada Development Corporation should be profitability and I was dealing with that particular point. If I have misread the three amendments, I have no recourse but to halt my speech right on the spot but it is the one speech I had planned on making. This speech will seek to deal with the question of whether this particular conglomerate Crown corporation, if I may use that expression, is to be profitable or not. I invite Your Honour's direction. If I am not to question the profitability of the corporation or the motives that will lead people to invest in the corporation, I will not say anymore. I am trying to do what I gather my friends to the left were trying to do, question the matter of the profitability of the corporation. That is not the point that should be relevant when considering a corporation of this type. If I am wrong in that, then my speech is over. If I am not wrong, may I quickly come to my first point. Studies suggest that merely because you become larger as a corporation does not mean that you are apt to become more successful.

• (2:30 p.m.)

My second point concerns voting privileges attaching to private shareholders who will venture with the government of Canada and Canada Development Corporation. In this regard, may I quote from the evidence given by the Minister of Finance (Mr. Benson) on May 4, to be found at page 29 of Issue No. 38 of Minutes of Proceedings and Evidence of the Standing Committee on Finance, Trade and Economic Affairs. The hon. member for Etobicoke (Mr. Gillespie) asked him whether a 10 per cent government holding would result in effective control. The minister replied:

That is a matter of how one mobilizes the votes. One is in a fairly tenuous position controlling a corporation on 10%, if there really is dissatisfaction with the way the corporation is running. So long as a corporation is running well it might be possible to control a corporation as vast as this on 10%, but if the corporation is messing things up then it is much more difficult, because the other shareholders will mobilize or somebody will mobilize them.

[Mr. Deputy Speaker.]

Paragraph (2)(i) of Schedule I of the amended bill as reported by the Standing on Finance, Trade and Economic Affairs reads:

both shareholders are parties to an agreement or arrangement, a purpose of which, in the opinion of the Board of Directors, is to require the shareholders to act in concert with respect to their interests in the company;

The preamble to that subparagraph reads:

For the purposes of these statutory conditions, a shareholder is, except as provided by section 5 of these statutory conditions, deemed to be associated with another shareholder—

I am saying, Sir, since we could not get satisfactory evidence about what the words "act in concert" mean when we were dealing with the problem before the Standing Committee on Finance, Trade and Economic Affairs, that we were left up in the air, so to speak. I am afraid, and I think other members of the committee are also afraid, that if shares are sold to the public and any two major shareholders were to go to a meeting and suggest that they were going to question the appointment of directors, the appointment of a president, the appointment of a managing director or of anybody who is really supposed to make the corporation work, they could be met with the objection from the very person they were trying to judge that they were acting in concert. He could say to them, "Aha, you people are acting in concert. You have come here with one particular purpose in mind, and therefore you are out." They would be out of order according to the wording of the schedule.

I do not think anybody would want to associate himself with an enterprise into which he had put money if it were possible for him to be met with that kind of objection. It would not do for people who might raise any objection at all, whether it is valid or not is not material to this argument, to be told that they are out of order because they are acting in concert. For instance, people might raise objections in three specific areas: that they do not like the colour of the chairman's eyes, that they do not like the balance sheet and that they do not like the choice of office boy. Then, because they would be acting in concert on those particular points they would be out of order. I am making that point simply and humbly. The Canadian Chamber of Commerce emphasized it even more, as is indicated by a reference to page 3 of their submission.

Under the heading "Marketability Of Shares" the Canadian Chamber of Commerce submission reads:

Successful public distribution of CDC shares, in the Chamber's view, will depend largely on minimizing the special provisions and restrictions that relate to these shares. It is maintained that provisions of the Bill relating to the acquisition, holding, voting,—

And that word ought to be spelled in capital letters.

—transfer and redemption of shares may constitute insurmountable impediments to satisfactory marketability.

That, Mr. Speaker, is exactly what I think will happen. There will not be so much an abhorence as a great reluctance on the part of the public to invest in CDC shares, especially when they realize that the government has weighted everything in its favour in this bill. I think

that I have made my case as strongly as I can with regard to that particular point.

I now come to point No. 3. In his submissions to the committee, the Minister of Finance referred to the taking of chances. he precluded the likelihood of chances being taken, I suggest, by saying:

> Finally, I would like to say a few words about the objective of profitability. Clearly the CDC must operate in a way that will make it an attractive investment vehicle for Canadians. A major objective for the corporation is that its shares should eventually be widely held by Canadians. This objective would soon be undermined if the CDC were expected, in the national interest, to subsidize certain activities for the achievement of essentially social goals.

In a way, I agree with him and in a way I disagree. Suppose, for example, CDC were considering whether to take over Air Canada or Canadian National Railways or the Canadian Broadcasting Corporation. CDC would then have to decide whether the objectives of those orgnizations to be taken over would put the corporation into a non-profit position. For instance, that position might be brought about because it was necessary to develop an airport at Yellowknife, or to develop a radio or television service to Labrador, or the like. You can see the awkward position in which the CDC would be put if it were tied forever and a day to the concept of profitability. In this regard, I am sure that I am giving my friends to my left all the comfort in the world. The minister says that, no, the corporation cannot do that because it must make profits. That statement may have hamstrung Canada Development Corporation forever and a day. It may suit the objectives of the corporation to do certain things in one half of a decade, and not to do them in another half of a decade, the consideration being how the economic winds blow. Sir, for that reason I do not think that CDC, under its present set-up, will succeed.

May I put the objections that will preclude the taking of chances in another way. May I quote from the brief which the Toronto and District Liberal Association submitted. That submission, surely, should be gospel to those on the government side of the House, despite the defection of the hon. member for Spadina (Mr. Ryan), the hon. member for Trinity (Mr. Hellyer) who at one time was Minister of Transport and the hon. member for Duvernay (Mr. Kierans) who was Minister of Communications. I quote from page 4 of the original submission:

> What government can go into an election with shares in the national corporation biting the dust?
>
> —The financial community is inherently skeptical—perhaps with justification—of the concept of a $5.00 widow—and—orphans stock. The CDC should most emphatically not be a pseudo mutual fund. There are already many good Canadian based mutual funds, for the private investor.

The rest of the brief deals with points of esoteric Liberalism that I am sure would be dear to your heart, Sir, and to the hearts of many people in this chamber. Point number three, precluding the taking of chances, means that the corporation would never be able to operate as a viable entity, that is to take chances over a short period in the hope that in the long run it would be able to operate.

• (2:40 p.m.)

I said earlier that I had five objections. I will now deal with objection number four, that is that the aims of the corporation are not really established in the legislation. In this regard, I will quote several witnesses. The first quotation will be from a brief submitted from Mr. D. P. Thomas of Collier Norris and Quinlan Limited. This firm is a member of the Toronto, Montreal and Canadian Stock Exchanges. Their address is 800 Dorchester Boulevard West, Montreal. I quote from the brief submitted by Mr. Thomas:

> It is probably fair to assume that the Government should have at least average success in attracting people of competence. But if the Corporation is to be something of real consequence in Canadian life, then those who are anxious for its creation should establish its philosophy and policies, and not just hope that good managers will do something good with it. Certainly Bill C-219 leaves the whole operation wide open not only in the briefly stated purpose, but also in the statutory powers. Even the best of managers, reading through the Bill would be hard pressed to say exactly what it is he should be doing.

The same point is made, although in a different way, namely, what are we trying to cure, in a brief submitted by Brown Farris and Jefferson Ltd., financial counsellors. I quote from the brief:

> We therefore believe there are opportunities for the CDC to fill now lacking gaps in the Canadian financial scene by
>
> (a) being a source of large-scale capital for new ventures and expansion purposes as is not presently available in this country other than from foreign sources,
>
> (b) improve the availability of venture and expansion capital for smaller projects—

That, of course, is ruled out by the clause which deals with the $100 million floor.

> —for which the present sources are either inadequate or are located such that they are unaware of many of the good opportunities outside Eastern Canada or do not have the means of ready contact.
>
> (c) perform functions often associated with merchant banks, such as the fostering of public issues and providing a non-conflicting underwriting source, and take the lead in providing Canadian financing in an attempt to persuade other Canadian and foreign venture capital institutions to take substantial positions.

One could say "amen" to all of these suggestions. That brief comes close to illustrating one of the problems which we have in Canada, the development of a truly merchant banking system.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but I must advise him that his time has expired. The hon. member may continue with the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Mr. McCleave: I thank my colleagues, Mr. Speaker. My speech will not be half completed, thus necessitating continuing at a future time. I will not abuse the privilege afforded to me.

The point to which I have just referred is contained in a brief submitted by D. Wm. Carr & Associates Ltd.

They suggest that there should be recommended fields of study to determine what should be done and what is being done at the present time. In the six points which they make, they deal with the gaps in the financial structure. I quote:

(i) Study the preconditions for sustained and successful use of venture capital in the structural development of an economy.

(ii) Possible extension of the foregoing study to cover the role of venture capital in capital export for aid and development (precluded by CDC legislation as now drafted).

That refers to the CDC legislation as it was then drafted.

(iii) Study of the present role of the investment company in the Canadian economy; the achievements and problems of Argus, Power Corporation, GIC, Charterhouse, etc.

(iv) Assessment of the present gaps in financing and developmental enterprise which a CDC can fill.

(v) Assessment of the potential impact of a CDC upon the magnitudes and patterns of savings and investment flows within the Canadian capital market.

(vi) Extension of the foregoing study to cover flows of capital into and out of Canada.

Essentially, we are dealing with the problem placed before us by Canadians and Canadian institutions, namely, to determine whether or not we are dealing successfully with the situation by having the CDC.

I wish to read two more quotations from people whose views bolster the point which I have just made. The first is from Ervin John Doak, Ph.D., of the department of economics at Saint Mary's University, Halifax. This is a quotation from comments made on the program "Viewpoint":

—I suggest that the bill presented to Parliament last month to establish the CDC is far too vague to come into law, that it should be improved, first, by establishing explicit goals for the institution, second, by developing explicit criteria for appraising its operations and, third, by establishing procedures that will lead to constant appraisal of its operations.

My fifth and final point is whether Parliament and the public servants of Canada will be able to run an operation as diverse as the CDC should be. In this respect, I quote from the brief submitted by Lafferty, Harwood & Partners Ltd., members of the Montreal and Philadelphia-Baltimore-Washington Stock Exchanges, 110 Beaver Hall Hill, Montreal. This is one of the most interesting submissions which the committee received. This brief quotes from the book "Human Action" by Ludwig von Mises, published by the Yale University Press. The role of the entrepreneur is discussed at page 867 of his treatise. I quote:

Entrepreneurial judgment is one of those things that cannot be bought on the market. The entrepreneurial idea that carries on and brings profit is precisely that idea which did not occur to the majority. It is not correct foresight as such that yields profits, but foresight better than that of the rest. The prize goes only to those dissenters who do not let themselves be misled by the errors accepted by the multitude. What makes profits emerge is the provision for future needs for which others have neglected to make adequate provision.

Before I read the final quotation, I suggest if one looked at the figures of history he would see how well that sort of concept would fit all of them. I quote:

There are no true entrepreneurs in the civil service because they would be frustrated by an environment that necessarily has to respond to a regulated pattern and system.

[Mr. McCleave.]

• (2:50 p.m.)

We surmise there are not true entrepreneurs in the House of Commons—

Imagine that, Mr. Speaker.

—because the entrepreneur does not have the temperament or attitude to work collectively on legislation or matters of broad public interest.

The concept of the Canada Development Corporation on paper is very rational in terms of engineering and planning concepts. However, if you examine carefully the different organizations which have been set up by provincial governments to directly intervene in the economy to foster industrial development, you will see that the entrepreneur has moved against these organizations because it is a natural action for him to take. He knows that they cannot respond to the changing environment and therefore they provide him with a means of offsetting his risks. Once he recognizes the motivating characteristics he will anticipate their future moves and derive the benefits from so doing.

So, Mr. Speaker, for these five reasons I must say I shall have to oppose the philosophical concept of the Canada Development Corporation as it is now presented to us, and I shall vote against the bill accordingly.

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

Some hon. Members: Question.

Mr. Deputy Speaker: In accordance with the special order made on Friday, I will put the third motion, that which stands in the name of the hon. member for Waterloo (Mr. Saltsman).

All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to section 11 of Standing Order 75 a recorded division on the proposed motions, group 2, stands deferred. Motions Nos. 4 and 5 stand deferred with motion No. 3.

In accordance with the special order to which I have referred I will now put together, for the purpose of debate, motions Nos. 6 and 7.

Mrs. MacInnis (for Mr. Burton) moved:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by adding subclause (2) to Clause 12 as follows:

"(2) Directors shall be appointed with regard to providing an adequate representation of different interests in Canadian society including labour and consumers."

Mrs. MacInnis (for Mr. Burton) moved:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by deleting from subclause (3) of Clause 12 line 12 and substituting the following:

"All members of"

She said: In order to avoid confusion I might explain that our proposal for a new clause 12, would leave the first part where it is, so that the entire clause would read:

(1) Subject to section 86 of the Canada Corporations Act any Canadian citizen is qualified to be a director of the company if he otherwise qualifies under such bylaws as may be made in that regard.

And we propose to add:

(2) Directors shall be appointed with regard to providing an adequate representation of different interests in Canadian society including labour and consumers.

The immediate purpose of that clause is to make sure that there would be on the Corporation a much fairer representation of the different interests in society than this bill would provide. The intent of this bill would be to have such a corporation represent all the economic interests which have been accustomed to deal with these matters in the past. It is our strong feeling that a wide spectrum of Canadian interests should be represented in the Corporation because our long-range aim would be to change the direction of such a Corporation from that which the present bill envisages. We believe that as long as the terms of the present bill are left as they are there would be no change in the direction the Corporation would take.

Our interest in this bill goes back to the occasion on which we introduced the idea at our founding convention ten years ago, the idea of a Canada development fund which later became the Canada Development Corporation. We had definite objectives in mind and it is in line with these objectives that we are putting forward amendments today. We want to see a Corporation definitely planning for the economic and social development of the under-developed parts of Canada. People who live in the Province of Ontario are not unduly worried about development in the rest of the country because they feel that as Ontario goes so goes the rest of Canada. But if you live in parts of Canada other than Ontario, you realize there is uneven economic development in this country and the greater development of Ontario makes for an imbalance not only in trade, in income, and opportunities of various kinds but in our whole social fabric. This results in a lop-sided development which is causing increasing concern as time goes on. We want to see a development corporation planning the development of the economic life across this country because we know this would mean a much more even opportunity for Canadians no matter where they happen to live.

In the second place we want to see a Canada Development Corporation in which the federal government would join with private enterprise in helping to develop industries in the undeveloped parts of this nation in a planned way. We do not hold with the system which the government has carried on for some time of making large subsidies and concessions to large private corporations and hoping for the best. I do not think the best will result. The best may result from the point of view of the corporations but certainly not from the view of the Canadian people surrounding them or the growth of the Canadian people from coast to coast. This is another reason we propose this amendment. We want to see a much better balance in the make-up of the directorate of this corporation.

Another reason we had for advancing our proposition was to help manufacturing. We want a corporation which can help manufacturing industries introduce specialization and help make up for the greater economies in volume which other places in the world have, and particularly some of the large corporate enterprises in the country to the south of us. Instead of this Canada Development Corporation, which we visualized ten years ago when it was not even a glint in the eye of the government, we find that the government, as they so often have done, took the label "Canada Development Corporation" that was on the package and threw away the contents, substituting something very much more to the taste of corporate business in this country. The government is now finding that even corporate business is a little dubious whether this legislation will work to their advantage, but at all events the government is trying to tailor the legislation to the taste of corporate business in this country. Instead of planning to redress the inequalities in this country, we find the government proposing to set up an organization, not a Crown corporation or a public corporation but one under the aegis of private business and which is assisted by the federal government.

• (3:00 p.m.)

We find that the same old narrow motivation of profit making by private shareholders remains intact. In spite of all the changes that are sweeping across the country and causing concern to people in all walks of life, the government is going ahead with the outmoded and increasingly unworkable proposition that the sale motive should be profit making by private shareholders in this country. Worse than that, we find the government, through this bill, throwing in Crown companies under the collective ownership of the Canadian people as an initial nest egg for the Canada Development Corporation. Corporations such as Polymer and others that have been helping the taxpayers of the country are being stolen from the Canadian people and placed within this wholly private company, the Canada Development Corporation.

We are very much opposed to that, Mr. Speaker, particularly in view of the fact that over 90 per cent of the Canadian people have no money at all to invest. I think to be accurate 7 per cent of the Canadian population only will be able to invest in this Canada Development Corporation. For a government that alleges to be looking after the welfare of the Canadian people and which should be planning not only for the immediate period but should be redressing the balance across the country in order properly to develop the underdeveloped areas of the country, and the unequal opportunities which are provided in these underdeveloped areas, we do not consider this legislation good enough.

Other people are also concerned about leaving the CDC entirely in the hands of big business concerns. My leader said the other day he had calculated that the government is paying out in the form of tax concessions to large private companies about $1 billion a year by way of

incentive grants, capital grants, research grants, development grants and so on. Once the people in this country get it through their heads what this arrangement means, they will not be happy about it.

I should like to quote the former Minister of Communications, the hon. member for Duvernay (Mr. Kierans), who made a speech in reference to these tax concessions. I see you are rising to your feet, Mr. Speaker, and I want to assure you it is quite relevant.

Mr. Deputy Speaker: Order. The hon. member says this quotation is relevant, but I should like her to indicate how it is relevant to the two motions under debate. I ask only because I interrupted an equally excellent speech of the hon. member for Halifax-East Hants (Mr. McCleave), which was really not relevant to the motions under debate. If the hon. member can find relevancy here, I shall be pleased to hear her.

Mrs. MacInnis: Mr. Speaker, I shall be delighted to explain the relevancy. I am trying to give reasons for my support of this amendment which proposes that the board of directors shall be composed of people who are representative not merely of the corporate sections of Canadian life but also of consumers, farmers, labour unions and so on. I do not see how I can explain my reasons unless I indicate why we want this amendment. The reason we include other sections of the Canadian economy is to indicate that under the present arrangement the return to the Canadian people from such a corporation would be very lopsided.

I trust I have explained the relevancy to your satisfaction. I think it is of the highest importance to explain why we feel this amendment should be accepted so that sectors of the Canadian economy other than just the business community are included. I shall give my quotation and Your Honour will be the judge of its relevance. The hon. member for Duvernay said:

> Tax exemptions are not easily given up. Large and powerful lobbying groups exist precisely to maintain and expand tax privileges and immunity. But we are not living in 1799 when Pitt introduced the income tax and listed mining and quarries as second on the list of those qualifying for exemptions, after the stipends of ecclessiastics. Nor are we living in 1927 when the U.S. Congress authorized a depletion allowance against a corporate tax rate that was very low. At today's rates, such privileges are grossly discriminatory and lead to overinvestment in the favoured industries and misallocation of resources, as Carter noted.

If Your Honour does not think that relevant, I should like to read something that I know you will regard as completely relevant. This is the very marrow in the bones, as it were, of the argument why we want to change the composition of the board of directors of the CDC. The hon. member for Duvernay went on:

> If the quality of living in Canada is to improve, an increasing proportion of total income should be used to satisfy the social and private needs of Canadians as consumers, not as investors. This expanding demand, with a money supply growing more evenly than in the past, will provide all the incentive that private investment needs.

If we leave this board of directors strictly in the hands of the business community, what hope is there of making sure that an increasing proportion of total income is used to satisfy the social and private needs of Canadians as consumers and not as investors? According to the government's proposal, the board will be composed of people who know how to make sure that the operations of the CDC are conducted in a way to give a return to the investors as such, and that is all. If we are to bring about a result different from this we must see to it that there are other people on the board besides those who represent the investors' point of view. I believe I have proven relevance to the hilt; in fact, I should be very pleased to be shown where I have not been relevant, but it would not be fair to draw Your Honour into a procedural argument at this stage.

The hon. member for Duvernay is not the only one who accepts the motion that we need to plan now for the future as well as the present needs of the people of this country. We need planning to be done by more than the narrow sector of the business community. If we leave it strictly to the business section of the community to do the planning across the country, we will get nothing more than what we have had. We will have little economic development in areas where unemployment is extremely serious, and in which opportunities are very unevenly divided now.

• (3:10 p.m.)

I would point out that the Economic Council, which years ago would have been composed only of economists with perhaps a few government people thrown in, has begun to realize the necessity of including other groups of people in the community. The Economic Council now includes people from organized labour. It includes representatives of organized farmers, of organized consumers and a good many representatives of other sectors in addition to those from the business community or from the academic world.

It has already been shown to this government that in planning, it is a good idea to consider economic measures for Canada by including people in addition to businessmen and those merely interested in bigger dividends for their shareholders. This is true of other sections of our government at the present time. In the Department of National Health and Welfare, you have a minister who has set up a National Council of Welfare. I give him credit for wisdom in this regard. He has seen fit to include representatives not only from the business community but social workers and other representatives from sections of the country who are concerned with low incomes. You might ask what people on low income have to do with welfare. They are the recipients of welfare and probably in the very best position to know something about it. The people who give out welfare and make the legislation, very rarely, if ever, have been on the receiving end of welfare or know anything about it from a practical standpoint.

If the Department of National Health and Welfare has reached the point of actually including people from the low income groups on the council, perhaps it is time we started thinking in terms of including representatives from the relevant sections of the community in every

government enterprise. We are still working on the Minister of Consumer and Corporate Affairs. He has included representatives from the business community on his consumer council. There is no danger of ever forgetting these people. They are the first appointed. I understand this consumer Council also includes, consumers and representatives of small businesses. One of these days I hope we will persuade the minister to include someone from the low income group. The minister indicates he has one on the council now, but as far as I am aware this is a fairly well paid salaried civil servant. In no way is he a representative of the low income group.

I am not very much in favour of the Senate as such, but even it amended our packaging and labelling bill so that the minister must, before making changes in the regulations, consult with representatives of both the business side of packaging and labelling and the consumer side. If the Senate can see fit to counsel the Commons to put that sort of provision in legislation, it is time to take another look at a bill as important as this which sets up the Canada Development Corporation. I am sure this is one of the important points in this bill. We want to see this provision in order that directors can and shall be appointed who will give adequate representation to the different interests in Canadian society. We would have included a good many more people than representatives of labour and consumers, but we do not wish to burden the House with those details at this stage.

The government would do very well to consider this point because, whether it likes it or not, sooner or later it will have to recognize the fact that in the whole of this operation, not just the Economic Council, National Health and Welfare, Consumer Affairs and one or two other of its many working operations, it will have to include representatives from every single sector of the Canadian society. If Canada is to be a viable country, and this is more important than whether this government is successful, we will have to appoint representatives from the business community, the commercial sector, consumers, farmers and other groups. They must have their share of the say in planning every piece of legislation that goes through this House.

In respect of the Canada Development Corporation, the least the government can do to give some confidence to the Canadian people that it is considering something besides the business community is to accept this amendment. This would provide for the inclusion of the broad spectrum of other Canadian interests and would indicate that the corporation is to be the servant of Canadians at large, rather than merely another pasturage for the business community in this country.

Mr. Max Saltsman (Waterloo): Mr. Speaker, one of the points we have been trying to make throughout this debate is that the bulk of the commercial activity in this country will probably remain in private hands. Perhaps a great deal of it should remain there, but there is a growing and important role for the government as well. We also argue that the government's role should be distinctive and different. There is not much point in the government merely trying to duplicate what the private sector is doing, and if it is doing it well it should be left alone.

The role of the government lies in those areas where the private sector is not able to perform or where innovation is called for and the private sector is not prepared to take the risk. We can point to a number of examples of this type of area where the government should lead the way. It should be the pathfinder and the trail blazer. This has been the case in respect of minimum wages and in various other forms of legislation adopted by this House of Commons.

In moving the two amendments that have been combined, we are really arguing that if the CDC is to be something different from what exists now in the private sector it should take into account not only this economic role but also its administrative role and, perhaps in some ways, its social role. It should play a different kind of part than that played by ordinary business corporations. The government itself recognized that the CDC should be somewhat different. We do not believe the government is going far enough, but it does claim that the CDC, although it is profit-oriented, has additional terms of reference relevant to public interest. In this way it has indicated it envisages this corporation as being somewhat different. When the Minister of Finance (Mr. Benson) is challenged that this is merely another investment corporation or the establishment of a mutual fund, he recoils in horror and says it is really something different.

What we are asking the government is whether, in fact, it does believe the CDC is different. If it does, then the CDC should behave in a somewhat different fashion than that manifested by ordinary corporations. Let us first of all refer to ordinary corporations. They are totally profit-oriented and have in the past been very loathe to become democratic or to take into consideration other factors in the consumer or national interest. They have always argued that they cannot operate that way. Surely, the CDC cannot accept this point of view. Surely, we can be assured that although the CDC intends to be somewhat profit-orientated, it will follow some precedence for having representatives from different industries in the Canadian society, including labour, consumers, farmers and other organizations, as members of the board. It may be that the government will not have to reach outside those who hold dividends or stock in the Canada Development Corporation.

• (3:20 p.m.)

But we are saying that when it comes to appointing a board, some additional criteria should be established because generally a board is appointed on the basis of who holds the most shares. It is quite obvious who will hold the most shares. It will be the banks, the trust companies and finance companies in Canada who hold the most shares in everything else. So, the CDC board will look like any other board in this country. That is not what we want. We feel that farmers should be represented if the CDC finds that a wide proportion of such people hold shares or perhaps workers. We believe some regard should be shown for this kind of representation and that,

if necessary, the CDC should go outside the shareholders of its own stock in order to find representation.

I think it might be an admirable idea to have a representative from the Department of Consumer and Corporate Affairs on the board because increasingly—and I am glad to see this—the Department of Consumer and Corporate Affairs is starting to have some effect on the economy. People are beginning to see that this department means business in some areas, such as the area of misleading advertising, corporate disclosures and so on, and is colliding in many instances with business corporations. I believe it would be unthinkable to have the Department of Consumer and Corporate Affairs place an injunction against the Canada Development Corporation simply because it pursued the profit motive. This, from the public point of view, could be very bad in my opinion. A lot of difficulty could be headed off at this time if in fact there were some representation from the department or some representation from some consumer groups. The time surely must have passed when we say that corporations are responsible only for profit, and I include corporations outside the CDC in the private sector. I think many business corporations have begun to realize they have a role beyond the simple imperative of making profit. They know that business survives only by public consent, and that business has to justify itself in the eyes of the public interest and the national interest.

The day is over when the private business sector can take the attitude, the public be damned. They know now they must have other objectives. We say to the government that it can assist the business community by writing into the Canada Development Corporation legislation the need for the corporation to be representative and the need for it to respond to these various interests in our society rather than the profit motive alone. As I read the amendments so ably discussed and defended by the hon. member for Vancouver-Kingsway (Mrs. MacInnis), it seems to me there should not be any objection to including this kind of directive in the Canada Development Corporation legislation. It can only help to strengthen the CDC. It cannot weaken it. It may give it a little of the lustre it so badly needs, and which is so utterly lacking in the bill which has been presented to this House.

I shall leave my comments on that point because there is another motion to which I wish to refer briefly, No. 7 which reads:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by deleting from subclause (3) of Clause 12 line 12 and substituting the following:

"All members of"

As a result of this amendment, rather than containing the words "the majority of the members of", the subclause would read as follows:

All members of the Board referred to in section 11 shall at all times be residents of Canada.

I can see no reason for the government objecting to this particular amendment. Again, it would seem that it would considerably strengthen the position of the Canada Development Corporation. As the bill stands without this amendment, the reference to a majority of the members

[Mr. Saltsman.]

leaves it open to very wide abuse. We have had experience in Canada in respect of industrialists who, for one reason or another, have retained Canadian citizenship but have been domiciled elsewhere. Usually, the reason was related to tax laws. In my view such a situation would be unthinkable in this connection and I would hope it would be unthinkable in the view of the parliamentary secretary or the Minister of Finance (Mr. Benson), namely, that this corporation would have a number of directors who would reside outside Canada.

It surely is not too much to ask that the directors be residents of Canada. First of all, they would be much better attuned to Canadian problems. They would certainly be more able to assess the proper decisions of the CDC if they were residents of Canada rather than of some other country. I believe they would exert a greater influence on the board if they lived in this country, and were tuned in to our activities. After all, you cannot find out what is happening in Canada on the golf courses of Bermuda. You may be able to find out on the golf courses in Canada. I see very little reason for any government opposition to Motion No. 7. I would sincerely hope the parliamentary secretary would give it some thought and listen to some of the arguments we have put forward, then say that this particular motion and the one preceding it, No. 6, are acceptable to his government.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, motion No. 6 is one of a group of amendments presented by particular members opposite with a view to amending the Canada Development Corporation bill to create a Canada Development Corporation in the image they wish to see it rather than as the government wishes to see it. I spoke at length on this on Friday in connection with the debate on the previous package of amendments, I believe amendments Nos. 3, 4 and 5. I do not intend to reiterate my comments. Motion No. 7, however, stands on its own. The purpose the government had in mind in permitting some of the directors to be non-residents of Canada was that, hopefully, it might take advantage of Canadian managerial and other business skills which might be available, even though the particular person might not be a resident of Canada. The government also envisaged the situation, with the mobility of top management today, of a director who had through his other business connections been required to give up his Canadian residence for a period of time but fully expected to be back again.

Other provisions in this bill do, of course, require by implication that all directors be Canadian citizens. Subclause (2) of Clause 12 specifically provides that a person ceases to be a director if he ceases to be a Canadian citizen. However, the government feels there is some positive advantage in the CDC being able to avail itself of the services of non-resident directors. Perhaps the provision in the bill that a majority be residents is arbitrarily chosen. Perhaps some other proportion would be as acceptable, but the government cannot accept the amendment as proposed which would require that all members of the board be Canadian residents.

• (3:30 p.m.)

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

Some hon. Members: Question.

Mr. Deputy Speaker: The Chair will put the question on motion No. 6 in accordance with the special order. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: No.

Mr. Deputy Speaker: Order, please. All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75 (11) the recorded division on the proposed motion No. 6 stands deferred.

Motion No. 7 will also stand, pursuant to the order made on Friday last. The Chair will now put Motion No. 8, and, as hon. members will remember, this motion is to be put by itself.

Mr. Max Saltsman (for Mr. Burton) moved:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by deleting Clause 18 and substituting the following:

"18. Except for those common shares of the company issued and allotted to the government which shall entitle the government to one vote for each share held, each shareholder who holds common shares of the company is entitled to one vote without regard to the number of shares held."

He said: Mr. Speaker, this amendment is one further attempt by my colleagues and myself to persuade the government to handle the Canada Development Corporation in a somewhat more progressive and forward-looking way than has been indicated up until now. The purpose of the amendment is to inject an element of corporate democracy into what is something other than that at the moment.

Through this particular amendment, we are trying to change the corporate structure in much the same way as democratic and political structures were changed a few centuries ago. As hon. members know, at one time in order to qualify as a voter one had to have property qualifications, and very often the amount of property owned permitted one to cast a larger stone into the political pool than would otherwise have been the case. As a matter of fact, in some cases if a person had enough property he could buy himself a rotten borough, and in effect be the only stone in the pool. Our society has progressed a long way from that.

We realize that this is not the way in which a democracy can function, and that the right to vote should not be dependent on the wealth of the individual. We realize that the opinion of each individual is worthwhile and important. So we have developed a democratic political system with this idea as its cornerstone. Now, we think that we should be moving in that same direction so far as corporations are concerned. We believe that when a new corporation like the CDC is being formed, when what is essentially a new experiment in corporate life is taking place, some thought should be given to the reorganization of the voting pattern within the corporation.

We have excluded the government from our proposed pattern because probably at the very best the corporation will have fewer than 10 per cent of 15 per cent of the Canadian population participating directly in it. Therefore, the government should have more say than individual investors because it represents the remainder of those Canadians, who are not members of the corporation by direct investment means. With respect to the other investors, the effect of our amendment would be that where an investor holds a block of shares that give him a 3 per cent financial interest in the corporation, and where another investor holds one single share which may represent an infinitesimal percentage of the financial interest of the corporation, each should have equal voting rights. This is a radical and sharp departure from what has been the "norm" in voting in corporations, but we believe it is something the House should consider, and of course it is something that we commend to hon. members.

We have expressed our concern that the CDC rather than becoming, as the government claims, an instrument whereby the small Canadian investor could have a considerable say in the development of his country, will fall under the control of the large financial and other corporations of Canada. This situation must be avoided at all costs. If this amendment is accepted, we can make a substantial stride in that direction. We can insure that no matter what the financial involvement of a single investor may be, or of a large group of investors may be, when it comes to voting on corporation business that person or group will have no more power, no more votes than any shareholder who holds only one share. This is really democratic corporate control. At least it is a step in that direction, and I think it is a step the government and the House should endorse. With these few comments, may I commend the amendment that stands in the name of the hon. member for Regina East (Mr. Burton) and which I have the honour to move on his behalf.

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

Some hon. Members: Question.

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

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to Standing Order 75 (11) the recorded division on the proposed motion stands deferred.

Mr. Max Saltsman (for Mr. Burton) moved:

That Bill C-219, An Act to establish the Canada Development Corporation, be amended by deleting from clause 36 (1) paragraphs (a) and (b) and by substituting the word "condition" for the word "conditions" in line 3 on page 25.

He said: Mr. Speaker, the purpose of this motion No. 9 is to strike out paragraphs (a) and (b) and substitute the word "condition" for the word "conditions". In effect, it would leave paragraph (c), and take out certain language.

• (3:40 p.m.)

If I might read clause 36(1)(a):

(a) the aggregate amount that the government of Canada may at any one time have invested in the company or be committed to invest in the company by way of investment in the shares of the company shall not exceed two hundred and fifty million dollars at the purchase price thereof plus the amount of any shares or securities of the company acquired pursuant to a sale under section 39;

And then it goes on:

(b) if the total number of voting shares of the company held by Her Majesty in right of Canada, any agent of Her Majesty in right of Canada and any persons associated with such agent, within the meaning of the statutory conditions, exceed in number ten per cent of the total number of issued and outstanding voting shares of the company, the company may at its sole option redeem for cancellation such number of common shares of the company as equals the number of voting shares held by Her Majesty in right of Canada in excess of ten per cent of the total number of issued and outstanding voting shares or any lesser number thereof, at the net asset value of the common shares so redeemed;

To the extent that my ability to comprehend permits me to understand them, I believe that those are limiting paragraphs. The one paragraph limits the amount that the government can invest to $250 million, while the other paragraph limits the government to holding 10 per cent of the total number of the outstanding voting shares. We think these are bad clauses to have in legislation governing an organization as important as the Canada Development Corporation. We see no reason why such limitations should be imposed upon the Crown and we have, therefore, moved this amendment in order to have that change effected.

We live in an era, Mr. Speaker, in which everything is gigantic. International corporations, mostly American, have been able to conquer many countries in a way which would have been unthinkable even to Genghis Khan. They have done it without military forces and they have done it because of the power and size of their corporate organizations. In a world where technology is expensive and is highly dependent on large organizations, only the large organization can survive and can profit. Canada suffers from the presence of international corporations more than any other country. Except in a few areas, there has been no real attempt made to exclude their influence. It could be argued that in some cases they provide benefit but on the whole we have seen Canada being virtually taken over, its policies dominated and its culture subverted by the need to satisfy the organizational requirements and the profit requirements of this new phenomenon, the giant corporation.

How are we to tackle the situation? One of the ways, not the only one, in which we hope the situation can be met is by making the CDC into an organization large enough to combat this particular new form of imperialism. I call it imperialism which is a harsh word, but unpleasant as it may be this is what is happening whether it is done with kindness or not. We need our own giant, if you will, to combat the influence and distortion of the international corporation. For that reason, the Canada Development Corporation will have to become the largest corporation in Canada and will have to operate in a manner which we can hardly conceive at the moment, but its size should not be limited. It should have the flexibility to move and expand and accomplish those things required now and in the future as this trend toward "giantism" continues.

We think it is a grave error to place any limitation upon the CDC. For that reason we have submitted the amendment presently before the House, and amendment that we commend to all hon. members.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on motion No. 9 (Mr. Burton).

Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): Carried.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Pursuant to Standing Order 75(11), the recorded division on the proposed motion stands deferred.

Mr. Stanley Knowles (Winnipeg North Centre) (for Mr. Burton) moved:

That Bill C-219, an act to establish the Canada Development Corporation, be amended by deleting clause 39.

He said: In the absence of the hon. member for Regina East it becomes my pleasure to move this motion No. 10 which asks that clause 39 of Bill C-219 be deleted. Clause 39 of this bill is the one that would permit the sale to the Canada Development Corporation of four corporations already in existence which are government owned. The four are: Polymer Corporation Limited, Eldorado Nuclear Limited, Panarctic Oils Limited and Northern Transportation Company Limited. I referred to the four as being government owned; there is of course the qualification that in the case of Panarctic Oils Limited there is a consortium of which the government is a member.

We feel very strongly that this clause should be omitted from the bill because this very provision brings into focus the thing that we regard as essentially wrong with Bill C-219. Polymer Corporation and Eldorado Nuclear Limited are very successful corporations wholly owned by the people of Canada. They are not run for the purpose of private profit but because of a need for the products they produce. If they were sold to the Canada Development Corporation we would regard it as a regressive step; instead of being publicly owned in their entirety they would be owned in part by the public and in part privately. That would bring them within the general purpose of the Canada Development Corporation which is to make a profit rather than to serve the interests of the people of Canada as a whole. That is why we do not like this provision in Bill C-219. We pointed this out in the debate on second reading and we have pointed it out repeatedly throughout discussions on Bill C-219. As I have already said, we feel that this clause brings into sharp relief the difference between our view of a Canada development corporation and the view that the government has placed before us in this legislation.

I am well aware of the fact that the Parliamentary Secretary to the Minister of Finance has not felt that he had to reply to two or three of the debates that have taken place today on amendments, but I hope he realizes that this one is very important. He has an obligation to demonstrate any reason, if there is one, why clause 39 should remain in the bill. From our point of view it should not be there and that is why this amendment is before the House.

• (3:50 p.m.)

Mr. Max Saltsman (Waterloo): Mr. Speaker, in some remarks I have made about public corporations in Canada I have noted that the Liberal government seems to harbour a death wish with regard to almost every public corporation it has established. That party is so ideologically bent—twisted perhaps is more appropriate—to the idea of free enterprise that when they operate as a government they operate most inefficiently. It seems almost as if they want the entities they create to fail. After all, their ideology is that only the free enterprise system and only the profit motive have merit, so everything government does is bad. It almost seems as if they want this scheme to fail in order that they can say, "See, we told you everything governments do is bad. Whatever governments touch does not work out." Actually, almost everything this government has touched has not worked out for the above reason. I do not say that the government does this consciously, but the effect is the same. They seem to set out to destroy the very things they create in the public sector.

The Liberals have sought, from the beginning, to dismantle certain entities. I am talking about entities like Polymer Corporation, Eldorado, Northern Transportation Company, and so on. This does not hold true so much for Panarctic Oils, which has been a recent development. The Liberals tried to get rid of Polymer, but there was such a public uproar that they abandoned the attempt. Why in the world would you want to get rid of organizations like that which have more than proved the point that public enterprise can be successful and which have more than demonstrated how valuable government intervention in the economy can be. It almost seems as if the existence of such organizations is a condemnation of the particular liberal philosophy the Liberal party espouses. The organizations stand there as symbols of success. They show what government can do, and that is more than the Liberal party can stand.

If the Canada Development Corporation idea is good in itself, why must the government take successful Crown corporations and throw them into the CDC pot? The suspicion inevitably arises that without these public corporations CDC will not be successful and will not be attractive to investors, that the government hopes to induce people to invest in CDC by taking corporations which are now the common property of all Canadians and turning them over to a small group of private investors. That idea, Mr. Speaker, is shameful. There is no evidence to support the notion that Polymer cannot function well and effectively on its own, without the CDC. This is equally true of Eldorado and the Northern Transportation Company. Look at the financial statements of these corporations. You will find that Polymer has consistently returned a profit to the Canadian public, that it has built up a substantial reserve and that it has been of great benefit to everyone in Canada. The corporation now has sufficient money to enable it to acquire other businesses, which it is in the course of doing. There is no evidence that Polymer needs the CDC but there is considerable evidence to indicate that the "nonsense" corporation this government calls the CDC needs Polymer very badly.

I am very interested in Polymer. I admire the company. It has served Canada well. In terms of its relationships with its employees, it has tended to perform better than other corporations in our society. Recently Polymer had to lay off employees and it handled those lay-offs in a way that was infinitely better than the way other corporations handled that problem. There was a genuine attempt to ease the plight of employees. They were provided with severance pay and there were attempts to

provide other employment opportunities for those the corporation was letting go. I suggest that the corporation has been so responsible partly because it knew that its behaviour was under public scrutiny; and although hon. members could not question Polymer directly, they could question the minister responsible for the corporation who would have to answer in the House of Commons for the behaviour of the corporation in the market place. Polymer will be less responsive to the public need if it ceases to be a Crown corporation and becomes part of Canada Development Corporation, which is to be governed by the idea of profit making alone. It would be a mistake to transfer Polymer to CDC. The suggestion that that be done makes us very suspicious of the entire concept behind CDC.

The history of the Northern Transportation Company is interesting. It was begun to provide service in the north that could not be provided in any other way. The company has proven its value in the sense that it has not been a burden to the taxpayer and everyone acknowledges that it has more than adequately met the needs of northern transportation. The same could be said about Eldorado. Are we now to take these corporations of proven merit, corporations that have proven how valuable they are to the Canadian people, that have given the lie to those who suggest that public enterprises cannot operate efficiently and turn them over to CDC so that Liberals need not be reminded of the imperfections and paucity of their own philosophy?

It is for this reason and for the reasons given by the hon. member for Winnipeg North Centre (Mr. Knowles) that we have moved this amendment. If the amendment is not accepted, the suspicion will inevitably arise that the government's chief reason in setting up CDC was finally to liquidate the corporations which have served the Canadian people so well.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) quite correctly observed that I have not commented on some of the motions before the House because, as I indicated earlier, I regard them as a package designed to convert CDC to the type of CDC the New Democratic Party would create if it were in the position to form the government.

An hon. Member: That is impossible.

Mr. Mahoney: It is not in that position and this party is; therefore, the bill we are considering is a bill to create a Canada Development Corporation that is in accord with the approach and philosophy of the party forming the government. Nevertheless, the specific provisions of Clause 39, which this amendment would seek to delete from the bill, are an equally profound demonstration of our differences in approach and philosophy. That is unquestionably so. It is fundamental to the bill. The government cannot agree to or accept the amendment.

It should be noted that that clause gives the government the authority to initiate the sale of these specified Crown corporations, and, in the case of Panarctic Oils, a Crown investment, to the Canada Development Corporation. Whether or not such a sale will actually occur will depend on the willingness of CDC to purchase the Crown investments and the payment of a fair and reasonable price as a result of negotiations between the government and the management of CDC. In these negotiations, the federal government will be representing the taxpayers who currently own the Crown corporations or investment. The federal government will fully protect the taxpayers' interests in these Crown corporations and in the Panarctic investment by ensuring that a fair and reasonable price is obtained for them.

• (4:00 p.m.)

The investments listed in the bill are ones that seem to be possible candidates for sale to the CDC at the present time. It is possible that at a later date other corporations or Crown investments will be added to the list or, in a future review, circumstances might change and dictate that it is undesirable to conclude the sale that would be permitted under the authority of this clause. These were selected because they are Crown investments that are operating in the private sector and are or have the potential of earning competitive rates of return on investor capital. They are corporations which will provide the Canada Development Corporation with ready access to expert knowledge and management in certain key sectors of the economy.

Accordingly, Mr. Speaker, the enabling of the government to attempt to negotiate this sale is central to the CDC act as conceived by the government and this amendment is not acceptable.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I want to make a brief reply to the parliamentary secretary. He is entirely correct in saying that clause 39 represents a profound difference in philosophy between that adopted by this party and that adopted by his party. What I failed to hear in his remarks was any justification, in terms of any sort of philosophy, for having a publicly owned corporation which has operated with a great deal of success for the benefit of the people of Canada, the general shareholders, handed over to some still untried aggregation of capital. We do not know what it is going to do or why that should be done. This is clearly a retrograde step. We will continue to oppose it.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to speak briefly on this amendment. As the hon. member for Greenwood (Mr. Brewin) has just said, the philosophy of our party certainly is not that which the parliamentary secretary has indicated is the philosophy of the Liberal party.

The four crown corporations which the government intends to take over have certainly been paying propositions and the future prospects are extremely bright. Up to 1969, the government investment in the Polymer Corporation has been approximately $30 million. In the past 10 years, Polymer Corporation has paid $39 million in dividends to the government of Canada. It has certainly served the purpose for which it was established. It has done a tremendous job. It has expanded and now has

plants in other countries. There is no doubt that the financial picture of Polymer Corporation is one of which any government could be proud. For example, in 1969, Polymer Corporation paid a $6 million dividend. At no time in the past decade has the profit of Polymer Corporation dropped below the $3 million mark.

As has already been indicated, Polymer Corporation is 100 per cent Canadian owned and controlled. Let us keep it that way. Let us keep it under the present administration which is doing a top-notch job of handling it and let the CDC expand into other areas where expansion is needed. The CDC should invest its money in some other resource industries. This is the kind of expansion that Canada needs now. Why start picking on corporations that are already Canadian owned and controlled and, more important, returning a profit to the Canadian people?

I now want to deal with another of these corporations. They are all very important. Eldorado Nuclear was created in 1944. The objects of creating it were to look for, mine and refine uranium. The picture of Eldorado Nuclear has been excellent as far as returns to the Canadian people are concerned. From the time it was created, up to the end of 1969, it has paid over $30 million in dividends to the Canadian people.

An hon. Member: What about taxes?

Mr. Harding: Over the same period, it has paid $30 million in taxes. What more do we want? That is an excellent record. The main objects of establishing this corporation were to look for, mine and refine uranium, one of the key sources of energy in this country. I submit that it has certainly done an excellent job.

In 1969, Eldorado Nuclear had a loss of just over $1 million. It will probably have another loss this year because of the depressed market for uranium. We must not kid ourselves or the Canadian people into believing that the future of uranium is not bright. We need only look at the potential energy resources of this country to see the desperate need for uranium in the future. For this reason, Eldorado Nuclear which controls this key energy source should be retained as a Crown corporation, 100 per cent owned and controlled by the Canadian people. I see absolutely no validity in the suggestion of the parliamentary secretary that we do not need to amend this bill, but throw this Crown corporation into the pot so that it can be controlled by a corporation which certainly will not be entirely Canadian.

I am not going to deal with all the corporations listed here. There are two more. Everyone of these is paying a profit to the Canadian people. Even more important, they are now Canadian controlled. What is the Liberal party going to do? We now have 100 per cent control. What more do we want? Let us start by having the CDC go into other aspects of the economy which we have lost. This is the objective of Canadians today and this is the objective of our party. We are urging members of the House to accept this amendment, and to give direction and thrust toward gaining control of the Canadian economy for Canadians by retaining these corporations as they are now and using the CDC to get into other aspects of the economy where Canadian control is desperately needed.

• (4:10 p.m.)

Mr. J. H. Horner (Crowfoot): I should like to say a word on this amendment. The last two speakers from the New Democratic Party used arguments with considerable merit when they criticized the government's attempt to bring under the jurisdiction of the CDC four Crown corporations, a move which, if successful, would have the effect of changing the management of these Crown corporations as well as government policy with regard to them. The CDC is, in essence, to be a Crown corporation, yet other Crown corporations are to be placed under its directorship. It is true the major shareholder will be the government, but the directors are to be chosen from the private sector. Polymer, Northern Transportation, Eldorado and Panarctic will be directed by people from the private sector, not necessarily those who are at the present time directing the management of these four successful Crown corporations.

Why is the government so set on the idea that these Crown corporations should be handed over to the Canada Development Corporation? Is it an attempt to entice the unsuspecting Canadian investor, to lure him into investing money in the CDC? If he does so and these ventures turn out to be less profitable from here on, the management not so dedicated or not as capable, then the difficulties of those Crown corporations will begin. Within the last few years, Polymer has invested in a large plant in Europe. If it were placed under the CDC would it continue to possess the independence it has enjoyed up to now, and would it be able to invest in the tire business as it has done recently by investing in a tire manufacturing plant in Europe. One cannot be certain, particularly when one reads the words of the parliamentary secretary as reported at page 6391 of *Hansard* to the effect that the directors will be chosen from the private sector but that the government would remain the largest shareholder and thus would always be in a position to exercise a degree of influence over the policies of the corporation. Will this in fact have the effect of limiting the freedom which these Crown corporations have enjoyed? Every one of them is in competition with similar industries within the private sector, except perhaps for Northern Transportation which some time ago bought out its competitor.

In any case, Eldorado, Panarctic and Polymer are all successfully competing with the private sector. In order to continue to do so they must remain flexible; they must be allowed a degree of freedom so as to meet the demands which competition places upon them. This House and the country need a better explanation than they have been given so far as to why the CDC should be permitted to start off with four such corporations. Why is the CNR not being brought within its scope, if the concept is that Crown companies should be allocated to the CDC? Are only the successful ones to be handed over? Surely, we could take a look at Air Canada, the CBC and a number of others with a view to letting the CDC look

after them, too. All in all, the House should be given better reasons than it has been given so far in favour of placing the four corporations I have mentioned under the control of the proposed development corporation.

Mr. Speaker: Is the House ready for the question? The hon. member for Waterloo.

Mr. Saltsman: I was just getting to my seat, Mr. Speaker.

Mr. Speaker: Is the hon. member rising on a point of order?

Mr. Saltsman: The only point of order is that I was getting to my seat rather than rising with the intention to speak.

Mr. Speaker: Is the House ready for the question on motion No. 10 in the name of the hon. member for Regina East (Mr. Burton)?

Some hon. Members: Question.

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

Some hon. Members: Carried.

Mr. Speaker: Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Mr. Knowles (Winnipeg North Centre): Can't we ever win?

And more than five members having risen:

Mr. Speaker: Pursuant to section (11) of Standing Order 75, a recorded division on the motion will stand deferred.

I will proceed to motion No. 11 stating in the name of the hon. member for Cochrane (Mr. Stewart), but first I should ascertain from the hon. member who is to be the seconder of the motion.

To be fair to the hon. member, perhaps, while he is looking for a seconder, or waiting for the return of a seconder, I might remind hon. members that the Chair has expressed some reservations as to the acceptability of the proposed motion. Is the hon. member for Ottawa West (Mr. Francis) rising to second the motion?

Mr. Francis: I was rising on a point of order.

Mr. Speaker: I was in the process of saying that a point of order had been raised by the Chair to the effect, there was a possibility that the motion might not be in order. I would be prepared to hear argument in support of the acceptability of the motion or against it before we proceed further.

Mr. Stewart (Cochrane): On Friday, Your Honour suggested the proposed amendment might go beyond the scope of the bill and I intend to confine my remarks strictly to that point. I do not believe the amendment goes beyond the scope of the bill. In fact, it does not really add substantially to its provisions because it merely says that Members of Parliament shall not be excluded from appointment to the board of the proposed corporation.

Clause 40 (1) merely states that the Governor in Council shall appoint not more than four of the members of the Board of Directors. It could be argued that among the persons so appointed could be Members of Parliament. They are not excluded by the terms of that clause. My amendment merely adds a subclause which will make it clear that Members of Parliament are not to be excluded. It does not go as far as the provision in other bills which stated categorically that Members of Parliament might be appointed to certain boards. The amendment would simply call to the mind of the government the fact that it would be possible for them to appoint Members of Parliament as directors.

The whole question of providing for some degree of accountability to the people of Canada is one of great importance and one which should in my opinion be considered even more seriously than my amendments suggests it ought to be. The people of Canada do not seem to have any say about what goes on in government, particularly in the conduct of Crown corporations. In the following clause those who drafted the bill, the bureaucrats, made certain that they were included even as ex-officio directors. The power that lies in the bureaucracy is far too great now, and the people of Canada do not have enough say in this regard. I suggest there has to be more of an input on the part of those of us who represent the people of Canada, who through their taxes are paying for these corporations.

• (4:20 p.m.)

I should like to cite a provision in the International Development Research Centre Act which, in my opinion, provides a precedent in this regard. When the House passed this legislation establishing the centre on February 20, 1970, clause 10 (3) provided as follows:

> Two of the governors, who are Canadian citizens, other than the Chairman and the Vice-Chairman, may be appointed from among the members of the Senate or the House of Commons; a member so appointed shall not be paid remuneration but shall be eligible for expenses and, if he is a member of the House of Commons, shall not, by reason of his being the holder of the office or place in respect of which such expenses are payable, be rendered incapable of being elected, or of sitting or voting as a member of that House.

I suggest that this is a precedent that goes further than my amendment would go. Therefore, I submit my amendment should be found in order and should be voted upon accordingly.

Mr. Francis: Mr. Speaker, the mover of this amendment has argued his case, as he has previously, for Members of Parliament to be allowed to sit on the boards of directors of Crown corporations. The issue is not the

merits of such a step; the issue is whether the particular amendment before us is in order. I do not dispute the general claim that the hon. member has put forward. Indeed, on previous occasions I have supported the merits of what he is now endeavouring to accomplish by this particular amendment. As the hon. member pointed out, he has previously moved a whole series of amendments to bills before this House which you, Sir, in consultation with various authorities, ruled out of order and which the hon. member withdrew following discussion.

The issue today is very simple: Does the matter before us place a burden on the treasury and violate the prerogative of the Crown with regard to expenditure of funds? With all respect, I do not think that the wording of the clause the hon. member seeks to amend is as direct as previous wordings that we have considered. I think the clause is either unnecessary or attempts to do indirectly that which cannot be done directly. The wording of the amendment appears to provide that Members of Parliament shall not be excluded from appointment which, presumably, means that they shall be considered for appointment. If Members of Parliament are to be considered for appointment to boards of directors under clause 40(1)(a), then we have to face the problem whether or not the bill is contemplating two classes of directors, one paid and the other unpaid. Certainly, there is nothing before the House to suggest that that type of provision is implied or should be implied.

The precedent quoted by the hon. member is very interesting. It speaks very clearly of how members could be appointed to the board of an international agency of the sort to which reference has been made. It very clearly provides that they may not receive remuneration, and obviously there has been care with the wording. But the wording before us is not the wording the hon. member cited a few moments ago but very different wording. As I read it, it attempts to place Members of Parliament in the position of being eligible for appointment on the same terms and conditions as other directors contemplated by this legislation. If that is the case, then I think it clearly violates the terms of the Senate and House of Commons Act and would be subject to all of the strictures previously referred to by Your Honour in other circumstances in connection with previous amendments moved by the hon. member. I submit the amendment is out of order.

Mr. Speaker: I thank the hon. member for Cochrane for his enlightening remarks, and I also thank the hon. member for Ottawa West for his comments for the guidance of the Chair. I had indicated previously when this motion was first put to the House that I had serious doubts about the procedural aspect of the proposal submitted by the hon. member for Cochrane. I was under the impression that this amendment was rather in the form of a substantive proposition that went substantially beyond the terms of the bill that is now before us.

That is still the objection which I have to the hon. member's amendment. Somehow, I have the impression that the argument he has submitted in support of his claim that the motion should be accepted and put to the House strengthens my view that what he has proposed for our consideration is a substantive motion that goes beyond the terms of the bill before the House.

The hon. member's proposed motion would provide that in making appointments to the board of directors, the governor in council may appoint Members of Parliament to the board. While the motion does not use that specific language, the appointments the motion proposes could be made notwithstanding the provisions of the Senate and House of Commons Act. That is the point that was made by the hon. member for Ottawa West.

I suggest to the hon. member for Cochrane that his proposed motion is either a nullity, in the sense that it would produce nothing in practice, or, in effect, it is an amendment to the Senate and House of Commons Act, which is not now before the House. I suggest to hon. members that it is not open to them to propose a motion, following the procedure suggested by the hon. member for Cochrane, that amends an act that is in no way before the House and which bears very little relationship to the bill that is before the House at the present time.

Section 10 of the Senate and House of Commons Act provides that:

> —(a) no person accepting or holding any office, commission or employment...to which any salary, fee, wages, allowance, emolument, or profit of any kind is attached... is eligible as a member of the House of Commons—

To my way of thinking, the argument is not whether public money might accrue to a member; rather the question is whether any member can be nominated by the Crown, or by an officer of the Crown, to an office to which an emolument or financial benefit attaches. In effect, the proposed motion removes the provision in the act that excludes members from such an office when the nomination is made by the Crown.

I recognize that the hon. member for Cochrane has a very strong point when he says that the International Development Research Centre Act was amended in terms very similar to those now proposed in the amendment of the hon. member. I must say that, in my view, if that amendment had been submitted to the Chair for consideration it would in all likelihood have been declared out of order. As the hon. member knows, this amendment was introduced at the committee stage and came before the House as part of the bill that was reported by the committee and was adopted with the other clauses of the bill. Therefore the point was not submitted to the Chair for consideration. In looking at the bill at the time the amendment was proposed, I had very serious doubts as to whether it was in order and whether the act could be reconciled with the other statute it in effect amended without saying so. For those reasons, I must conclude that the motion proposed by the hon. member should not be put to the House.

• (4:30 p.m.)

I have reservations also in that the whole matter to which this amendment refers is now still before the Committee on Privileges and Elections. In any event, there has been no report as far as I know on that reference to the committee. The hon. member was kind

enough to agree to a suggestion made by the Chair some time ago that the bill he proposed be withdrawn and that the subject matter thereof be referred to the Standing Committee on Privileges and Elections. That matter is still before the committee and I doubt very much whether there should be an attempt made at this time to settle the matter through an amendment to an act while the matter is still under consideration by a committee of this House.

For all those reasons I regret very much having to conclude and rule that the hon. member's motion cannot be put at this time. We now go to motion No. 12 in the name of the hon. member for Regina East (Mr. Burton).

Mr. Andrew Brewin (for Mr. Burton) moved:

That Bill C-219, an act to establish the Canada Development Corporation, be amended by substituting the words "five per cent" for the words "three per cent" in subclause (3) of Clause 2 of Schedule 1.

He said: Mr. Speaker, the purpose of this amendment to the schedule is to enable the provincial governments or the legislatures of the provinces on behalf of the provincial governments or the Crown or Her Majesty in the right of the provinces to acquire in the case of each province 5 per cent of the number of voting shares of the corporation rather than the present figure which appears in the schedule. The schedule provides that the holdings in the right of Her Majesty, in the right of the province or agents of Her Majesty shall not exceed three per cent of the total number of the issued and outstanding voting shares. The legislation recognizes, I think quite rightly so, that Her Majesty in the right of the various provinces may well be and should well be interested in being participant shareholders, participants therefore in the direction and control of the Canada Development Corporation. The purpose of the amendment is to remove the restriction which is fixed at 3 per cent, increasing this to 5 per cent.

We in this party have tried to make it very clear that we believe in government equity in publicly financed projects, and we believe in direct control by Parliament. The proposal made here is to encourage a partial approach toward that objective. We think as much as possible of the financing of a corporation such as this should be out of public funds so Canadians can benefit. In this way, any interested province can invest in this development corporation. Thus, Canadians who happen to be in those provinces are investing in this fund.

We believe this is a form of co-operative federalism that makes sense. Provincial governments are deeply concerned in the development of Canadian resources. They have the planning machinery to advise the corporation and assist it in determining what investments it shall make in the resources of Canada. They have responsibilities in that particular field. The more the provinces can be induced to step into the field of developing Canadian resources through this Canada Development Corporation the better.

Our leaders, and I mean the Prime Minister (Mr. Trudeau) of the country and the other prime ministers and premiers of the provinces, have made it perfectly clear that in their view one of the basic purposes of Confederation is to iron out the regional disparities which exist in this country, and to remove regional disparities by whatever means are available. It seems to me that the existence of this corporation, participated in by the various provinces, can and should be used as a major tool in ironing out these regional disparities.

To attempt to do this without the co-operation and participation of the provinces might well turn out to be a great mistake. Someone has suggested there is a danger if all ten provinces take up their five per cent in that 50 per cent of the capital would be owned by the provinces. First of all, I think it highly unlikely that all ten provinces would join together to become participants to that extent in this corporation. If they did, I think it would be an excellent thing that such a result was brought about. If all ten provinces, in a sense, were partners with the Canadian government through a Canada corporation for the development of the resources of this country, that would be highly beneficial to the country. I have no fear that this result will actually happen, but if it did I have no fear that it would be anything but beneficial.

I do not know the rationale behind the three per cent limitation. Why put a limit on provincial participation? The purpose of the measure is to establish a corporation that will help develop and maintain strong Canadian controlled and managed corporations in the private sector of the economy which will give Canadians bigger opportunities to invest and participate in the economic development of Canada. Why should not provincial governments be encouraged to participate as fully as they are willing in this effort? They would be participating on behalf of the citizens of their province. I think it would make it a much greater and more effective Canadian venture if this amendment were accepted.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, we do indeed hope and feel that provincial governments will find investment in the Canada Development Corporation a desirable objective for their own purposes. However, the basic concept of the measure is that majority ownership in the CDC should ultimately rest with the private sector. There is a provision in the bill that federal participation may be reduced to 10 per cent, and that is as low as it can go. There is another provision under clause 3 of schedule II that an agent of Her Majesty in the right of Canada and the associates of that agent can own another 3 per cent, so there is provision in the bill for 13 per cent of the voting shares being owned or controlled directly or indirectly by the federal government. In order to retain the basic concept that majority ownership shall ultimately rest with the private sector, the 3 per cent for each provincial government is necessary.

Four per cent times ten provinces would be 40 per cent, which would mean the public sector might own 53 per cent. The suggested amendment here could raise the number of voting shares owned in the public sector by both federal and provincial governments to 63 per cent. That is the rationale of the three per cent figure; it relates directly to the basic concept that the majority

control of the voting shares of the CDC, as envisaged by the government, should rest with the private sector. For that reason, the amendment is not acceptable to the government.

• (4:40 p.m.)

Mr. Max Saltsman (Waterloo): Mr. Speaker, I listened very carefully to the words of the parliamentary secretary as he stated the government's position respecting some of the amendments we have presented to the House. The only conclusion one can come to is that there is no debate. We are asking why the government has done these things in the hope that we might have some explanation, perhaps receive some explanation with which we might agree, or acquire some understanding of the government's motivation. Instead, all we get is a reiteration of the government's position and a statement that there is a difference in philosophy. We know there is a difference in philosophy. This is one of the things this House is all about. This is not good enough. It is not good enough for the parliamentary secretary to say the government feels one way and we feel another way, and that this is the reason it is being done in this way. We want genuine debate on the matter. We want the government to defend its position and explain why it places its reliance on the private sector by insisting on a majority interest being maintained for the private sector.

We received no information except a statement that this is what the government has decided. In a matter as important as the Canada Development Corporation, one would have thought the government at least would have had the courtesy to explain to the House its reasons. My friend the hon. member for Greenwood (Mr. Brewin) has given a most lucid explanation and argument concerning why there should be greater provincial involvement. I would have thought the merits of his case were obvious, and that the amendment as described and presented by the hon. member for Greenwood would have commended itself to the government which would have seen this as an opportunity to have participation by the provincial and federal governments. Instead of replying to the arguments which have been presented, the parliamentary secretary has simply restated the government's position. The government has decided to do it their way. At no time has there been any explanation from him of the reasons. We can do little more than express our great disappointment that the government has not been able or willing to either make a case or present it to this House.

Mr. Speaker: Is the House ready for the question on the motion now before us? It is motion No. 12 standing in the name of the hon. member for Regina East (Mr. Burton). Is it the pleasure of the House to adopt the said motion? All those in favour please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Again, pursuant to Section 11 of Standing Order 75, the recorded division on the proposed motion will stand deferred. Since discussion on all motions has now been completed and all votes have been deferred, I should like to inquire of hon. members whether it is proposed that the vote be taken now or be held over until later.

Mr. Mahoney: Mr. Speaker, I believe you will find agreement in the House to defer the recorded votes on all these amendments until eight o'clock tomorrow evening. As I understand it, tomorrow is to be an allotted day and under the special order government business will commence at eight o'clock tomorrow evening. Accordingly, I believe there is agreement that the votes be taken at eight o'clock tomorrow evening, at which time we may be able to proceed immediately to third reading.

Mr. MacLean: That is agreed, Mr. Speaker.

Mr. Knowles (Winnipeg North Centre): Yes, Mr. Speaker, that has been agreed. I refer to both suggestions, that the vote be deferred until eight o'clock tomorrow evening and that if the government wishes to do so it may call the bill for third reading.

Mr. Speaker: There is apparently unanimous consent to the procedure suggested by the parliamentary secretary. As it is agreed that the votes will be taken at eight o'clock tomorrow evening and following the voting there will be consideration of third reading of the bill, is it so ordered?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

* * *

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENTS RESPECTING RATE PER BUSHEL, EMERGENCY PAYMENTS, EXTENSION OF APPLICATION TO RYE, FLAXSEED AND RAPESEED

The House proceeded to the consideration of Bill C-239, to amend the Prairie Grain Advance Payments Act, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. Speaker: The Chair has studied the motions proposed under Bill C-239 to amend the Prairie Grain Advance Payments Act and I should like to suggest for consideration of hon. members the following procedure which might well be followed. I would suggest, first, that motion No. 1 should be put and disposed of separately. Then, motions Nos. 2, 3, 4 and 5 might be grouped for purposes of debate and a vote on motion No. 2 would dispose of all the said motions. Motion No. 6 might be considered and disposed of separately. Motion No. 7 might create procedural difficulties because at least at first blush there would appear to be financial implications. The Chair, however, would hear argument when motion No. 7 is called. If hon. members are in agreement

with the suggestions I am making now, these motions will be put and considered as now suggested.

Mr. Knowles (Winnipeg North Centre): What about motions Nos. 8 and 9?

Mr. Speaker: It is brought to my attention that motions 8 and 9 should also be referred to at this time. The suggestion I should like to make to the House is that they be considered and disposed of separately.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, subject to any procedural discussion we might have on motion No. 7, the proposal you make regarding these amendments is satisfactory.

Mr. Speaker: We will now consider motion No. 1.

Hon. Otto E. Lang (Minister of Manpower and Immigration) moved:

That Bill C-239, An Act to amend the Prairie Grain Advance Payments Act, be amended by striking out lines 34 and 35 on page 2 and substituting the following:

"grain of any kind to the Board in a crop year under"

He said: Mr. Speaker, the main purpose of this amendment is to restore the cash advance legislation, as we will hope to see it after passing the current amendment, to the basic pattern which has existed since the inception of prairie grain advance payments some ten years ago; that is to say, when an advance has been taken upon grain, all grains upon which an advance can be taken, when it is delivered by a farmer, will be subject to deductions in respect of repayment. The bill, as it stands at the moment, after having been referred back from the committee would have the difficulty of seriously impeding or interfering with the security of the cash advance system by possibly limiting the recovery of money for advances to that portion of the grain upon which the advance itself was taken when that portion of the grain cannot, in the ordinary course, be identified. It would, therefore, have the effect of virtually destroying the cash advances system if the bill stood as it was reported back.

• (4:50 p.m.)

A question of principle is also involved, namely, whether when an advance is taken on wheat, the barley and oats grains delivered by the same producer should be taken into consideration with respect to deductions for the advance. It is the feeling of the Wheat Board that to do otherwise might interfere with the delivery of grain, and lead to some choices by farmers not to deliver certain grain at certain times. Accordingly, the amendment to restore the situation to the pattern that has existed since the law was first enacted is proposed.

Mr. J. H. Horner (Crowfoot): I find it strange that all of a sudden the minister should say this change must be made in the bill or the cash advances system will be ruined. Actually, Mr. Speaker, this clause was changed in the committee, and the ministers' amendment would merely restore it to its original wording. I think there is a very neat point here with regard to the worth of committee work.

[Mr. Speaker.]

The purpose of referring legislation to committees is to allow the committees to call knowledgeable witnesses to discuss the intent of the legislation, and whether or not the wording is sufficiently clear to carry out that intent. If this committee in its wisdom, following the advice of the experts, agreed that certain words should be deleted and others added to a particular clause of the bill, I would like to know how the minister, out of the blue, can come forward with the suggestion that the amended version of the bill is incorrect, and that the original wording should be restored.

The amendment proposes the restoration of the words "grain of any kind." The amendment moved in committee by the hon. member for Mackenzie (Mr. Korchinski) suggested that those words be struck out and that the words "grain to the Board on which an advance has been taken" be added. As recorded at page 41 of Committee Proceedings No. 53, the minister had this to say:

Frankly, I do not know that the words "of any kind" have any additional significance. I presume the draftsman introduced them to make absolutely clear that wheat, oats and barley were all involved in the repayment...

At the bottom of the same page, the minister is recorded as saying:

My opinion is that the removal of those words would not change in any way the legal effect of the clause.

At that time, the committee had the power to call the draftsman before it. It had the power to call witnesses from the Wheat Board. It had the power to inquire from them whether the change really meant anything. I repeat that the minister said:

My opinion is that the removal of those words would not change in any way the legal effect of the clause.

If the minister felt the way he does now, he should have requested representatives of the Canadian Wheat Board to appear before the Agriculture Committee. Mr. Speaker, I think it is shocking that the full contingent of members of the Canadian Wheat Board has not appeared before the Agriculture Committee, even though recently we have been dealing with three major pieces of farm legislation, all related to wheat and other grains. On one particularly short day of committee hearings one spokesman for the Canadian Wheat Board appeared. On three different occasions he replied that questions were not pertinent to the legislation and therefore he would not answer, or that he did not have the figures with him.

The amendment moved by the hon. member for Mackenzie was accepted by a vote of 13 to nine in the committee. It is a well known fact that the combined forces of the opposition muster only 13 votes in that committee, and that on that particular occasion a number of government supporters voted for the amendment.

Further, as recorded at page 41 of Committee Proceedings No. 53, the minister said:

With the words in I think the draftsman thought the clause was clearer than with the words out, but I believe that the same effect would hold true, because the words "of any kind"—

This is the important point I want to make. Just a few minutes ago the minister told us that without his amend-

ment being accepted, the cash advance system would be destroyed, but on that occasion he said in the committee:

—I believe that the same effect would hold true, because the words "of any kind" did not apear in the previous act...

Cash advance legislation has been on the statute books since 1957. The words "of any kind" did not appear in the original act. Now, the minister says, and we are supposed to believe him, that we should use the working he suggests. Excuse me, Mr. Speaker, I see it is five o'clock.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Speaker: Order. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—Solution for problem of refugees from East Pakistan now in India; the hon. member for Winnipeg North (Mr. Orlikow)—Unemployment—Effectiveness of Manitoba deficit financing program in decreasing unemployment—Suggested consultation; the hon. member for Halifax-East Hants (Mr. McCleave)—The Budget—Request for consideration of circumstances of elderly retired people.

PRIVATE MEMBERS' MOTIONS

AIRPORTS

SUGGESTED CONSTRUCTION OF NEW REGIONAL COMPLEX FOR NEW BRUNSWICK

Mr. Thomas M. Bell (Saint-John-Lancaster) moved:

That, in the opinion of this House, the government should consider the advisability of giving immediate consideration to investigating, surveying, planning and constructing a new regional airport complex in New Brunswick which would take into account new transportation patterns and provide (a) national and international jumbo jet facility, (b) transit for export and import air freight (c) a link with the new containerization services at Saint John and (d) for the full development of the agricultural and fisheries potential of the entire Province.

• (5:00 p.m.)

He said: I will be brief in introducing this motion, Mr. Speaker. Last year it had moved into position for debate but I avoided moving it because we were waiting for a report on air transport in the Atlantic provinces and we also thought there was a chance that the regional air policy of this government might be clarified. Since then we have the report referred to. It is inconclusive, to say the least, and as everybody in the House knows, regional air policy is still indefinite.

I make no bones about raising this matter even though it is of a local and regional nature. There is no other avenue for bringing it forward. It is not a matter that could be tackled by a committee of the House. It is not

like Montreal and Toronto: when they want an airport, the government jumps. The question involves many divided responsibilities at different levels and sections of government.

I hope the motion will provoke discussion, and not only in the narrow context of the resolution which advocates a regional airport for southern New Brunswick. Incidentally, Mr. Speaker, no location is mentioned. I hope it will also provoke discussion on the matter of regional air carrier policy which, because it has drifted, is causing serious deterioration in all airports of Atlantic Canada.

I shall deal briefly with the problem and the history, and my proposal to help solve it. Saint John airport, which is my main consideration, has a very difficult weather problem for four months of the year, as everyone knows, which diminishes its usefulness. I feel it should be tied into a southern New Brunswick proposition. Air Canada has been involved in the service there for many years and would be able to provide a much better service. Other regional carriers, such as Eastern Provincial, could be included. I have no complaint with Air Canada's past record of service, but due to their unsettled policy and the fact that we are moving into larger planes and all the other problems, the service has seriously deteriorated. Each year is bringing a further reduction in service to Fredericton and Moncton as well as to Saint John.

The history of the Saint John airport is interesting. It was not taken over by the federal government until about three years ago. We always hoped that by remaining independent we could fit into the Canadian Pacific or some other route that would have shown us consideration such as we have with rail and sea, but that was not to be. The next event of significance was the Atlantic Provinces Air Transportation Study—APATS—of 1969. This report was released just a few months ago.

I quarrel with two of the propositions in this report which, incidentally, advocated that the New Brunswick airports of Moncton, Saint John and Fredericton remain as they are. I quarrel with the report that deals with the mileage, the service and the time taken between the various cities. I do not agree with the proposition that if there were a central airport, even though passengers would increase threefold there would not be three times better service. It is stated that there probably would not be any more flights out of the central airport because Air Canada might use larger planes. If there is any merit in this proposition, Air Canada should be jumping up and down with glee. These are two weak spots in the report. If we hoped for a broad, bold move into the future, this report is most pessimistic.

Recently, Mr. Baldwin, president, and Mr. Pratte, chairman of the board of Air Canada have made public statements. In Saint John, Mr. Baldwin promised that Air Canada would participate in a survey of that city to determine the future of Air Canada. We welcome this but feel that not only Air Canada should be included. I have confidence in John Baldwin—he had a good record as Deputy Minister of Transport—and I feel that in the profit and loss statement of Air Canada the almighty dollar might not be his main consideration. Mr. Pratte

has quarrelled recently with the regional air policy of this government and has said there should be greater clarification.

Another question is whether STOL aircraft might be used in intercity communication, considering the unique problem we have between these three major cities. Cutbacks have been severe. In the last three years the Air Canada service has deteriorated. They are bringing larger flights and there is no intercity communication. I do not know what the future of Air Canada is or should be. The larger planes have a different load factor for air cargo and this is seriously hampering the air cargo business in Saint John. These are the questions raised.

My proposal is that in view of the different studies, information and reports available there should be a fully co-ordinated review conducted by the Department of Transport. This should take into consideration the future of the Saint John airport in relation to the whole air picture of southern New Brunswick. It should include an assessment of the regional air carrier policy at all levels of government, provincial and federal. It should take into account the responsibilities of Air Canada and EPA and any other individual regional air carriers in existence.

These are my ideas, Mr. Speaker, and I do not apologize for bringing this matter forward. I hope it will at least provoke discussion about regional air policy. I have mentioned the history of the matter and our problems in southern New Brunswick, but I have not mentioned a particular location. I feel this is the only way we will take a step into the future of the fast-moving, jet age. There must be a need for specialized service and the other propositions outlined in my resolution.

I hope hon. members will show interest in this question and that there will be a favourable reply from the government indicating their interest and an assurance to the House that they will move on this problem that is adversely affecting our airports which do not have all the ingredients of some of our larger cities.

• (5:10 p.m.)

[*Translation*]

Mr. Alexandre Cyr (Gaspé): Mr. Speaker, I should like in the first place to congratulate the hon. member for Saint John-Lancaster (Mr. Bell) for having introduced a motion providing that the government should consider the advisability of setting up a new regional airport in New Brunswick.

It is quite difficult to speak about transportation in New Brunswick without referring to the Gaspé peninsula, eastern Quebec area, including the area north of the Gulf of St. Lawrence.

Several committees have made studies in the past and presented reports on the means of transport in the Maritimes and have always referred to the needs of eastern Quebec and the Gaspé peninsula.

During the few minutes at my disposal, it would be quite difficult for me to consider all the aspects of the problem of air transport.

[Mr. Bell.]

Transport plays a quite important role in the economic development of a remote area and for New Brunswick as for the Gaspé peninsula, the air transport system will have very important direct effects on regional economic expansion.

Any investment in or any improvement of the air transport system in eastern Canada would certainly and necessarily result in an increase of regional production and creation of new industries.

The infrastructure is the basic element of the system, for without it, most, if not all, of the means of the transport cannot operate. Whether certain means of transport exist or not, regional producers and consumers will be more or less capable of having their goods carried.

The lack of modern air transport may result in a producer or manufacturer being forced to use an inadequate means of transport. Furthermore, when a monopolistic situation exists, this can incite the carrier to profit by the market that he controls, and to increase the rates that he charges his customers.

It is with this in mind that the Minister of Transport (Mr. Jamieson) must see to it that a regional airport system is developed in New Brunswick and in the whole of eastern Canada, including the Gaspé region.

It would be useful to know to what extent the presence or absence of infrastructure affects the cost of transportation and, eventually, the economic development of a region.

When roads are bad, truckers may be tempted to raise their prices, either because the upkeep of their vehicles becomes more costly or because they use other routes which makes their trips longer and more expensive.

There is a relation between traffic density and the conditions of the infrastructure.

Not only should the existing airports be improved but the possibility of building new regional and local airports should be considered.

Because of its relation to all economic activity and the real part it can play in the economic development of a region, air transport constitutes one of the sectors that governments may readily use within the framework of their regional development and economic expansion policy.

That, Mr. Speaker, is why I am suggesting to the Minister of Transport that those policies should have positive effects both on the organization of the transportation system and the economy of the region.

Should an illustration of the benefits a region can derive from an airport be needed, the following should be sufficient. Ten years ago, an industrial complex was set up near the airport in Manchester, New Hampshire. It is almost 100 per cent occupied. They are now looking for other available land. There has been investments of $10 million, and hundreds of jobs were created for the city because of the availability of a regional airport flanked by an adjacent industrial complex.

And if New Brunswick, like the Gaspé peninsula, lacks adequate airports, what then?

Obviously, those regions will finally fall into oblivion, and be passed up by industry in favour of other cities in Canada and North America in general to which planes have easier access.

Why? Because industry relies increasingly on air transportation and tends to locate in areas served by airports. The same is true of tourists traveling by air, who will first visit areas immediately surrounding airports.

The establishment of industries in the vicinity of airports should be encouraged because the use of the land for building airports and contiguous industrial parks is highly practical from a physical, social and economic point of view.

The integration of a well-planned and well-organized industrial area close to an airport can in the long run be most beneficial to the area by solving some difficult zoning problems and allowing compatible uses of the land close to the airport.

Mr. Speaker, this House knows that businessmen rely increasingly on air transportation because of the time-saving element and because of its readiness in serving remote centres.

Airplanes travel faster and faster and the industrial empire of a corporation may expand in proportion provided its plants are located in the vicinity of an airport and if possible a regional airport.

In an area as vast as the Gaspé region, a regional airport should be established, such as the one which will be established in New Brunswick, as well as "subregional" and intermediary airports, in order to provide an adequate air transport service around this peninsula.

In his motion the hon. member for Saint John-Lancaster mentions the establishment of a regional airport in New Brunswick. I wish to inform the House through you, Mr. Speaker, that if Parliament acts on this request, the Gaspé area is part of a vast region bounded in the north by the Gulf of St. Lawrence, in the south by the Fredericton-Moncton-Charlottetown axis. These two limits which converge toward the Montreal-Quebec complex are two much frequented air corridors.

The survey requested by the hon. member on air transportation and a new regional airport in New Brunswick should also cover the whole airlines network in eastern Canada.

It is necessary to make a survey of the airlines' system on a regional basis, and to group all the needs of an area such as that of Fredericton, but that unit must be fitted into the present structure, as built on the axes I have just mentioned.

That is why I congratulate the new member for having moved this motion.

[*English*]

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I note that other hon. members wish to say a few words and therefore I shall not be very long. I commend the hon. member for Saint John-Lancaster (Mr. Bell) for introducing this motion. I know he is interested in proper transportation facilities for New Brunswick. As was explained earlier, this motion was placed on the order paper last year but was not discussed because the hon. member felt that the report on air policy, made public a few months ago, probably served his purpose. Since that report was not complete inasmuch as it did not deal with the subject raised by the hon. member's motion, the hon. member felt that this question ought to be discussed.

Mr. Bell: The report dealt with it a bit, so to speak.

Mr. Comeau: The hon. member informs me that the report did deal somewhat with the subject matter of his motion.

Mr. Bell: But not exclusively.

Mr. Comeau: But not exclusively, as the hon. member says. The whole problem is that all kinds of studies have been made concerning Atlantic transportation policies. Prior to my coming here—and I have been here for three years—many such studies were made, but none of them have been to the satisfaction of the general public in the Atlantic provinces. The motion deals with transportation policies for air carriers, particularly in the Atlantic provinces. The hon. member specifically mentioned New Brunswick, but this is the type of study that should be carried out once and for all draw up an effective transportation policy for the Atlantic provinces.

• (5:20 p.m.)

Since I have been here questions have been asked and representations made by the Atlantic provinces transportation committee, boards of trade of various cities and towns, and many organizations. As a matter of fact, there is no transportation policy for any region in this country. The air transportation policies which we now have only satisfy the main centres of this country. They do not take into consideration regions such as the Atlantic provinces, northern Ontario and some parts of western Canada. There is no effective, sound transportation policy for Canada.

Approximately six months ago I asked the Minister of Transport (Mr. Jamieson) when a regional transportation policy might be established. For two years I have been trying to determine the policy with regard to air transportation, particularly for the maritime provinces. The minister stated that we do not have a regional air policy. He said that if someone makes an application, it is looked at and ruled upon. This is not the way to run air transportation in this country. It is all the more reason for accepting this type of motion which calls for an investigation into and establishment of an air transportation policy for the Atlantic provinces, particularly New Brunswick.

The hon. member for Saint John-Lancaster stated that some of the recommendations contained in the report released a few weeks ago, are somewhat pessimistic. I

agree, because the report does not take into account all the factors dealing with air transportation in the Atlantic provinces. For example, recommendations were contained in the report with regard to Yarmouth airport. This points up the fact that there is a need for more study of this matter. The report which was issued two, three or four months ago touched upon several centres in the Atlantic provinces. In one instance it dealt with Yarmouth, which I know well. The members of the committee did not even visit Yarmouth to make a proper assessment. This is how policies in this country have been drafted. A serious study has not even been made of situations, particularly in the Atlantic provinces.

Regional carriers such as Eastern Provincial Airways do not know what their role is in the development of transportation policy for the Atlantic provinces. They do not know what they are supposed to do. We do not know the plans for Air Canada. The motion calls for a study, particularly in the province of New Brunswick. Such a study could be expanded, because when we talk about an airport in New Brunswick we must take into account what is happening in Halifax, Charlottetown and St. John's, Newfoundland.

An hon. Member: And Bathurst.

Mr. Comeau: The hon. member says Bathurst. I say Yarmouth. These matters must all be taken into account. A study must be made of our airports and the way that airlines are operating in the Atlantic provinces. Such a study should determine once and for all what our policy will be, the direction in which we are going and how the airlines, Air Canada and the regional carriers, fit into the picture. It is time the government made a decision in this regard. If this type of study does not commend itself to the House and if the motion is not accepted this afternoon, I hope the government will make such a decision. Perhaps they already have enough expertise and have made a study of the problem. I hope the government will tell us what areas the carriers in the Atlantic provinces are to serve.

I listened carefully to the deliberations in the Standing Committee on Transport and Communications when the estimates of Air Canada were being considered. This deliberation has not yet been completed; I gather that Air Canada officials are still to appear before the committee. Many members complained about the deterioration of service and unco-ordinated efforts by the carriers. It is up to the government to tell the carriers what is in store for them and what areas they are to service.

The chairman of the board of Air Canada said he was not happy with the policies which have been established for the Atlantic provinces. In particular, he was not happy with the policies of the government with regard to regional air transportation. I presume that he is not completely happy with the relationship between Air Canada and EPA. He does not know exactly what will happen in the future; he does not know what to do about Yarmouth. Nobody knows anything. The people in that area do not know what is in store for them. Service has deteriorated and there is lack of proper planning.

A study should be made to determine international patterns for exports and movement of freight into and out of the Atlantic provinces. The flight schedules are getting worse. In many cases there is no co-ordination. It is my hope that a study will be made to determine a transportation policy not only for New Brunswick but for all the Atlantic provinces. I hope the government will accept this motion and determine proper air transportation policies for the Atlantic provinces.

[*Translation*]

Mr. Herb Breau (Gloucester): Mr. Speaker, I am happy to take part in the debate, particularly since I was preceded by the hon. member for South Western Nova (Mr. Comeau) who somewhat found fault with the regional air transportation policy of the government.

The hon. member said at the outset that he would deal with the report of the technical study submitted to the minister two or three months ago. However I am not surprised to hear that he is not satisfied with the report because, after all, it was prepared by experts such as himself whose work is always criticized. Perhaps he will be able to go back to his riding and tell his constituents: If you are not happy with the report, you may say so. Besides, I have read the report myself with a great deal of interest and I will come back to it later.

However, I think it is my duty to straighten out the facts because the hon. member for South Western Nova mentioned certain things which lead me to believe that he was not serious or that he only wanted to please his friends in the opposition. For instance, he said that the government had given no reply and had not acted on the representations made by Maritime associations concerning the transport policy in the Maritime provinces.

Mr. Comeau: I never said that.

Mr. Breau: Either the hon. member was not serious.

Mr. Comeau: I never said that.

Mr. Breau: I can even quote what he said in English.

[*English*]

Nothing was done to respond.

Mr. Comeau: Read *Hansard* tomorrow.

[*Translation*]

Mr. Breau: Very well, we will wait and read *Hansard* tomorrow.

I am glad to hear the hon. member acknowledge that the government has done much in the field of transportation—

Mr. Comeau: I did not say that either.

Mr. Breau: Mr. Speaker, the hon. member should make up his mind and tell us what he said.

I am glad to hear the hon. member agree with me that the government has taken a great deal of initiatives relating to transportation in the Maritimes. I can mention a few which will make my hon. friends from St. John's

East and Saint John-Lancaster (Messrs. McGrath and Bell) happy.

For instance, I will mention the case of an operation subsidy granted to certain regional air lines, among which Eastern Provincial Airways, in the Maritimes. Some highways have been subsidized from this grant.

In New Brunswick, a particular highway which serves part of my constituency has also benefited from that subsidy. I can mention for instance the extraordinary development of EPA in the Maritimes for the past two years. It certainly has been the result of the air transport policy of the government.

An hon. Member: It was EPA's.

Mr. Breau: I hear an hon. member say that it was EPA's. Members of the opposition are always ready to blame the government when things go badly, but when all is well, they never give the government credit.

The hon. member mentioned a few moments ago that the government took no initiatives on the matter of air transport in the Maritimes. How can he substantiate this statement when in Charlottetown only, for instance, the government started from scratch to establish a twice-daily jet service during the summer. Such is the concrete result of the air transport policy of the federal government. This policy provides that the Maritime provinces will be protected for Eastern Provincial Airways, Quebec for Quebecair and central and western Canada for other companies.

• (5:30 p.m.)

So, as a direct result of such a policy, EPA, for instance, was able to get jets and provide a much better service to the Maritimes, especially to Newfoundland, so that my friend from St. John's East is quite proud of the federal government's air policy. In fact, his province is enjoying a better service.

Now, to get back to the study that my friend criticized earlier, I must say that I have read it with a great deal of interest, since I had hoped that it would give the federal government and to the minister of Transport (Mr. Jamieson), a much larger and much more accurate view of transportation problems.

And once again, as many experts and teachers do, they suggested another study, if not two. For example, they hardly paid any attention to the northern part of New Brunswick, which means that in future it may have to be served by a highway connecting it with Moncton, Bathurst, Chatham, Charlottetown, Quebec City and Montreal.

Without making too many recommendations, they simply said: It will be necessary to conduct a study about it. So, once again, I must tell my hon. friend that they are academic experts like him, and this is how they claim that they will solve problems. They say: This is one of the suggestions, it will be necessary to find others and to make another study.

Mr. Comeau: Your minister is like that.

Mr. Breau: Yes, he is, but at least, unlike the opposition, he does act.

Suggested New Brunswick Airport Complex

Mr. Speaker, I have one criticism to make about the Maritimes transport policy. Unlike that of the opposition, my criticism will be constructive and concrete. I think that there is a lack of co-ordination in decisions and in the policy regarding the various transportation systems.

For instance, we are told that the federal government may pay from $3 to $5 million a year to railway companies only for passengers in the Maritime provinces. On the other hand, Air Canada or EPA do try to give air service to the Maritime provinces in order to bring about a transport policy.

Consideration must be given to airport sites, population density and distance to Montreal because the latter is the closest and the most important metropolitan area.

Therefore, before setting up any kind of policy, all those factors must be taken into account.

Furthermore it seems that at the government or the Canadian Transport Commission level there is no organization that decides anything once and for all. If we are willing to spend $3 or $5 million in grants to the railways, the CN for instance, or if we spend so many millions with EPA to service Moncton, Charlo, Chatham and Montreal, how could be use that money and build airports that would be situated in more strategic centres and decide in what way the money will be spent, because if it is true that from $3 to $5 million—the latter figure is the most probable—are spent in subsidies to rail transport in New Brunswick solely for passenger service, I am concerned, because I am not sure that Maritimers receive the best transportation service for those $5 million.

As far as I am concerned, it is not exaggeration to say that people prefer air transport to trains because, obviously, they want to get to the metropolitan centres more rapidly for about the same price. In the Atlantic provinces airlines are most aggressive; in fact EPA is more aggressive than Air Canada. EPA is not only aggressive, but it wants to improve its service. However, the federal government subsidizes the CNR to help the people of the Atlantic provinces to go to Montreal. Indeed the help is granted to the people not to the CNR. There is no coherence, no administration that says: Well, instead of spending $5 million for that, we shall instead give $1 or $2 million for the construction of airports in the northern part of New Brunswick. In providing the citizens with better air service we shall reduce the subsidies to the railways. That is, generally speaking, what I criticize about the passenger transport policy of the government and I hope that before long this matter will be looked into throughly and that coherent and co-ordinated decisions will be taken.

To come back to the motion introduced by the hon. member for Saint John-Lancaster, I must say that it is difficult for me to oppose an initiative by a member from my province. However, the study mentioned by him and by other members is of a technical nature and reveals interesting facts. It reveals, for instance, that the Moncton airport should not be deprived of aid as it brings in more revenue than it costs the government for its administration.

Furthermore, the Commission report shows that the Saint John airport is far from being unprofitable.

The report also shows that the Federicton Airport, on account of its location near the capital, is a necessity.

It seems to be that the reasoning behind the report findings is sound. It is good reasoning. The philosophy that a central airport would be preferable to three small ones is not necessarily true. It also struck me when I heard of it a few years ago. I thought we could close certain small airports and have a bigger one. But if we consider the figures quoted in the report, it is very interesting to note that the service provided by Air Canada at Saint John, for instance, as well as at Fredericton and Moncton, was not at a loss. Perhaps it is not as efficient as it should be, as the hon. member for Saint John-Lancaster put it, but at least it justifies itself.

Being in the centre of the Maritimes, Moncton airport is used by many private aircraft. The same applies to Fredericton. If this airport's importance and traffic were reduced, it would not be beneficial to either the people or the government because there might perhaps be a loss in revenues.

Moreover, as to whether there should be an international airport in New Brunswick, it seems to me that the factors to consider are clear and obvious. It is a matter of determining whether international traffic would justify it, and members of the opposition who have participated in this debate have not indicated any study which would justify it. I would like to know, because I am sure that members are responsible enough not to suggest the construction of international airports without making sure that there is a sufficient demand.

Consequently, Halifax is setting up an international air service. It seems to operate well enough. There is at least one flight from Halifax to London three or four times per week. Now, traffic and demand would have to be determined and thereafter a decision on the opportunity of building an airport would have to be taken. I am sure, as I stated a moment ago, that members are too responsible to suggest the construction of airports merely for the sake of building them, because if it is so, the northern area of New Brunswick would need some.

The citizens of Bathurst and of the Campbellton area maintain that the Charlo airport should be further developed.

Now, before making expenditures for the establishment of such infrastructures in New Brunswick, they should be justified.

• (5:40 p.m.)

[*English*]

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to say a few words in support of the resolution which is an annual one put forward by my colleague from Saint John-Lancaster (Mr. Bell). I am not as well acquainted with transportation difficulties in that province as is the hon. member and the hon. member who has just resumed his seat, but no one who travels to the maritime provinces and has occasion to pass through the province of New Brunswick could come away without being impressed with the need for a new airport, especially one that would serve the cities of Moncton and Saint John and the population in between. Airports in the province of New Brunswick, like most of the airports in the Atlantic provinces, are small, inefficient, have inadequate terminal space to cope with the present traffic and do not come near meeting the demand that will be placed upon their facilities by the traffic anticipated in the future.

The resolution also avails me of the opportunity to say something about air transportation problems with which we in Newfoundland have to cope. In my own city of St. John's, which has a population of 100,000, we are almost totally dependent on air transportation. The airport in St. John's serves a population in excess of 150,000 people. We rank second in the list of major airports in the Atlantic provinces in terms of number of passengers handled per year, but rather interestingly we rank a very poor third in the amount of terminal space available to handle that passenger traffic.

Perhaps a few vital statistics would illustrate this problem. I should like to quote from a parliamentary return to a question that I placed on the order paper in February of this year. This question asked for the total number of passengers handled in each of the major airports in the Atlantic provinces for the past five years. The figures for St. John's, Newfoundland, indicate that the traffic has risen from 145,000 passengers handled in 1965 to 189,500 in 1969. This figure compares with over 500,000 at Halifax airport, which is by far the largest airport in the Atlantic provinces since it is also an international airport in terms of international and trans-Atlantic flights. The number of passengers handled at Moncton has been rather stable for the past five years and this traffic in 1969 stood at 133,600. Passengers handled at Saint John, New Brunswick, in the same year amounted to 123,000.

I should like to apply these statistics to the situation at St. John's, Newfoundland. The airport there has a record which shows that an increasing number of people are using air transportation as a means of travelling and an increased demand is being placed on its very limited facilities. The 189,000 passengers handled in 1969 had a passenger terminal space of 9,320 square feet, compared with 39,000 square feet at Gander which has the lowest number of passengers of the major airports in the Atlantic provinces—69,000 in 1969. There are 43,000 square feet at Halifax airport, which makes St. John's, as I say, the second busiest airport in terms of number of passengers handled, through it has the third smallest amount of terminal space available. This is an indication that the facilities at the airport at St. John's are taxed to the limit, especially during the peak travel months of June, July and August when tourist traffic is at its height and people are travelling to and from the mainland and other points in the world for vacation purposes.

The airport terminal at St. John's was one of the first new terminals to be built. It was built in 1958 and very few modifications or changes have been made since it

was opened to traffic, with the exception of a minor addition to provide increased restaurant space and additional service accommodation. The accommodation available at St. John's for passenger traffic is virtually the same today as it was ten years ago, notwithstanding the fact that passenger traffic has shown an annual increase over the last 15 years. Consequently, Mr. Speaker, a case can be made for additional terminal space. Indeed, I think the time has come when the Department of Transport should take a long, hard look at the whole situation of terminal passenger accommodation in the Atlantic provinces with a view to meeting the demands of the travelling public in New Brunswick as set out in the resolution put forward by my hon. friend and with a view to building new facilities to replace the old, outmoded ones which exist in St. John's, Newfoundland. Certainly a case can be made for a new terminal in St. John's. The Minister of Transport (Mr. Jamieson), who uses the airport probably more than any other person I know, should be very much aware of this situation. I hope when he is planning for the next fiscal year he will take this fact into account.

• (5:50 p.m.)

If we are to participate in the advances of air transportation by the use of jumbo jets and air buses we will need additional terminal space. This brings another point to mind, and that is the tendency on the part of Air Canada to reduce the frequency of service by the use of larger aircraft. Of course, the use of larger aircraft such as the stretched DC-8, which is now operating out of St. John's, taxes the limited terminal facilities to the point where it is difficult if not impossible to get out of that terminal in one piece. It would be far more practical on the part of Air Canada to make more use of smaller aircraft such as the DC-9. Instead of two stretched DC-8s going into St. John's, which is the case now, they could increase the number of direct flights from Montreal and Toronto; then instead of having two direct flights we would have four. In addition to those direct flights we still have the Vanguard service which is a local shuttle service operating from St. John's to Toronto. We now have a limited DC-9 service to Boston with connections in Halifax for western Canadian points. I feel a case can be made for increasing the frequency of service.

The statistics I have placed on the record, measured next to the existing frequency, would indicate that we are not getting our share of the service or the service that is available to other airports in the Atlantic provinces. I suggest there is greater frequency of service, for example, into the city of Saint John and greater frequency of service into Halifax, yet Saint John and Halifax are not as totally dependent upon aircraft as is eastern Newfoundland. There is no other way to get out of Newfoundland unless you take the CN bus across the province and run the risk of being crippled for life as a consequence of being seated in a seat that is much too small, being made for small people, for a period of 14 hours. Anyone who wants to risk that unpleasant journey has my sympathy. You will find that very few people do so. Consequently, the only way out of Newfoundland is by air transportation and hence it is much more important to Newfoundland than the other maritime provinces. Accordingly, I believe a case can be made for improving the frequency of service beyond that which now exists, by the use of small aircraft and through additional terminal facilities. The latter can only be accomplished, in my view, by building new terminals because present facilities are totally inadequate.

A word should be said about regional air carriers. I am one of those members who is convinced that Eastern Provincial Airways is perhaps one of the finest regional carriers in North America. Certainly the service it provides to Atlantic Canada and parts of Labrador is unexcelled anywhere on the continent. Its in-flight service could stand as an example for Air Canada. The type of equipment used is superior to any of the equipment presently being used by Air Canada, in that EPA uses the Boeing 737 which is much better, in my humble view, than the DC-9. EPA is performing a tremendous service. In order to fulfil its long-term projection and adequately plan for the future, it should be told exactly what the situation is in Canada in respect of the government's regional air policy.

I have just been reminded by my colleague that I am running the risk of talking-out the resolution. I would be the last one in the House to do that, so I will resume my seat.

Mr. Speaker: Do hon. members wish the Chair to call it six o'clock, or shall I put the question?

Some hon. Members: Question.

[*Translation*]

Mr. Jacques-L. Trudel (Montréal-Bourassa): Mr. Speaker, I must first of all congratulate the hon. member for St. John-Lancaster (Mr. Bell) who presented the motion now under study.

Listening to the member very carefully, I learned far more about the need for a regional transport policy, the problems caused by the weather in the Maritime provinces, and the report of the Air Transport Commission in those provinces than about the purposes of the motion.

The hon. member suggested very few solutions, and he said he would give other members the opportunity to take part in the debate. I listened to those who did, amongst others, the hon. member for Gaspé (Mr. Cyr), who gave us an account of the economic results, the implementation of a regional policy could have in that area. I agree with him that there should be a regional policy that would facilitate air transportation, mostly in the eastern part of the country.

The hon. member for South Western Nova (Mr. Comeau) asked quite vigorously that studies begin.

Mr. Speaker, may I call it six o'clock.

Mr. Speaker: Order. The hour appointed for the consideration of private members' business has expired. I do now leave the Chair until eight o'clock.

At six o'clock the House took recess.

[*English*]

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENTS RESPECTING RATE PER BUSHEL, EMERGENCY PAYMENTS, EXTENSION OF APPLICATION TO RYE, FLAXSEED AND RAPESEED

The House resumed consideration of Bill C-239, to amend the Prairie Grain Advance Payments Act, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, before private members' hour at five o'clock I was dealing with the minister's amendment and the effect it has in directly reversing the wishes of the committee. I want to make abundantly clear that the bill, before it was amended and after receiving second reading in the House, was sent to committee and clause 4 subclause 2, line 34, at that time read as follows:

—the applicant delivers and sells grain of any kind to the board in a crop year under the permit book specified in the application or any permit book—

The committee did two things to that particular sentence. First, it struck out the words "of any kind"; second, it added the words "on which an advance has been taken". In other words, the application shall be verified by affidavit and shall include an authorization by the applicant stating that the applicant delivers and sells grain to the board on which an advance has been taken in a crop year under the permit book specified in the application or any permit book issued. The applicant now applies for and receives an advance and must deliver grain of the kind specified in his application. What does this all mean? I spelled out clearly before supper that the removal of the three words "of any kind" makes no difference whatsoever. The minister, as recorded at the bottom of page 41 of *Minutes of Proceedings and Evidence* No. 53 of the Standing Committee on Agriculture, said:

My opinion is that the removal of those words would not change in any way the legal effect of the clause.

So let us do away with the concept of the removal of the words "of any kind" being detrimental to the operation of the cash advance legislation. Let us consider the addition of the words "on which an advance has been taken". What is the true meaning of the addition of those words? As recorded at page 38 of the committee's proceedings, the mover of the amendment said:

I move that clause 4(2) be amended by striking out the words "to the board" and substituting therefor "on which an advance has been taken".

In the final drafting of the clause the words "to the board" were left in and the words "on which an advance was taken" were the only words added. The mover went on to say, as recorded at the top of page 39:

I feel that since an advance can only be taken on wheat, oats and barley, that this particular proposed subsection should apply only to those grains.

• (8:10 p.m.)

The mover, the hon. member for Mackenzie (Mr. Korchinski), said that he believed if someone takes out an advance, the form provided for the elevator agent should specify on what grains the advance can be taken and on what grains it can be repaid. In other words, if a farmer took out an advance on wheat, oats or barley he would have to repay it on wheat, oats or barley. As long as the affidavit the farmer signs states that the advance will be repaid in essence on those three grains, the hon. member for Mackenzie has no objection, as can be clearly seen from his comment as recorded at page 39 of committee proceedings No. 53 as follows:

I feel that since an advance can only be taken on wheat, oats and barley, that this particular proposed subsection should apply only to those grains. What I have therefore done is to confine your advance to those grains on which an advance can be taken, and worded the subsection in such a way that we remove "delivers and sells grain of any kind to the board," and substitute "on which an advance can be taken".

In the committee the minister acknowledged that to do away with "of any kind" makes no difference to the legal interpretation of the clause and the concept of adding the words "on which an advance can be taken" means that the act remains as it was in the past—in other words, that the advance could be taken on wheat, oats and barley. "Of any kind" was not included in the original act, and as recorded at the bottom of page 41 of the committee proceedings the minister stated clearly:

—I believe that the same effect would hold true, because the words "of any kind" did not appear in the previous act—

The words "of any kind" have not appeared in the legislation since it was enacted in 1957. Then why was the hon. member for Mackenzie concerned about the addition of "of any kind"? It was because this bill includes provisions covering rye, rapeseed and flax, and grains "of any kind" would include those three grains. The minister has assured the country that in no way will these three grains be taken into consideration by the Wheat Board except according to the expressed wishes of the producers of those grains. In respect of this amendment will he assure the House that the cash advance legislation will in no way be affected by the inclusion of the words "rye, flaxseed and rapeseed" in the bill? "Of any kind" does not imply those grains which are not under the jurisdiction of the Canadian Wheat Board.

What I am really saying is that the cash advance legislation will not be affected by rye, rapeseed and flaxseed until the majority of the producers of those grains have indicated that they want them brought under the Canadian Wheat Board. When they have indicated that they want them brought under the board then, and only then, will the cash advance legislation be drawn up or amended to apply to them. I am not sure of the number of the clause but I believe it is stipulated in

clause 7 that rye, flaxeed and rapeseed may be brought under the cash advance legislation but will only be brought under it when they are included in the provisions of the Canadian Wheat Board Act.

By his amendment which trying to undo the committee's work the minister is endeavouring to allow the elevator companies, or the Wheat Board, to claim money from deliveries of rye, flaxseed and rapeseed on a cash advance taken from oats, wheat and barley. Through you, Mr. Speaker, I ask the minister, is this really what he is trying to do? If it is, he should at least acknowledge the fact. He never acknowledged it in the committee; in fact, he went out of his way to assure the committee that the opposite was correct. If the opposite is true, then the amendment moved by the hon. member for Mackenzie in the committee is correct in every way. This is what that hon. member said in the committee, as recorded at page 40 of committee proceedings No. 53:

> All right, if this is the point of friction, then perhaps we can leave in "to the board". But "of any kind" simply implies that I have to commit all grain that I sell to the board when in fact I may have taken an advance on one or two specific grains.

The hon. member for Mackenzie is directly on the point. He is saying that if we leave in "of any kind" we are including all grains, but all grains are not available for a cash advance; under this act the cash advance is concerned only with wheat, oats and barley.

An hon. Member: Keep on reading.

Mr. Horner: Somebody suggests that I keep on reading. I suggest that he get up and make his own speech. He will have ample time, but my time is limited. The hon. member for Mackenzie is pointing out that under the legislation cash advances are available with respect to wheat, oats and barley and not with respect to other grains, but the inclusion of the words "of any kind" means that repayment might be claimed on other grains with respect to advances taken on those three grains.

Through this amendment the minister seeks to replace the original words in the bill and undo all the good work of the committee. I emphasize that the committee called experts before it. One of the strong arguments for sending bills to committee is that in committee experts can be called and examined and the examination of experts can guide the committee to the correct interpretation of legislation and to correct amendments to move. But here the minister is saying that the experts are wrong, that the hon. member for Mackenzie is wrong, and he wants the bill returned to its original wording.

If that is the case, the minister has to answer this crucial question: Will sales of rye, rapeseed and flaxseed be used to repay cash advances made on wheat, oats and barley? If the minister replies, "no, under no circumstances," that is fine and the correct interpretation of "of any kind" is immediately understood.

In the committee discussion the hon. member for Mackenzie went on the state clearly that he had no objection to wheat, oats and barley being used to repay a cash advance that had been made, but that he did worry about some of the other all-inclusive clauses of the bill. I think these questions must be answered before we blindly do away with all the good work of the committee.

The amendment moved by the hon. member for Mackenzie was passed in the committee by a vote of 13 to 9. It is a well known fact, Mr. Speaker, that the government has 17 supporters on the agricultural committee. That vote was taken on Thursday, May 27, a day when the House did not sit. Hon. members were not occupied in this chamber; They were supposed to be dutifully occupied in committees which were sitting, so there was no real excuse for government supporters being shorthanded in the agricultural committee. I can only conclude that after close examination of the witnesses who were before the committee at that time the majority of the committee members wished clause 4(2) to be amended. Members of the committee did not vote on party lines on this particular issue; they voted according to common sense.

• (8:20 p.m.)

When the minister rose to introduce his amendment he was allowed 40 minutes in which to speak, according to the rules of the House. He spoke for about seven minutes and gave no real reason for undoing the good work of the committee. If that is the way committees are to be treated, if they are merely to occupy the time of hon. members, if the work of committees is held in such low regard, and if the government thinks committees do no good perhaps it would be better if we reverted to the old system and considered bills in committee of the whole. Then at least deputy ministers and those involved with different aspects of the department would come to the House, hon. members could direct questions to the government and elicit answers and bills would not pass until satisfactory answers were given. Silence in many respects may be golden, but in dealing with legislation silence on the part of the government is not.

Some hon. Members: Oh, oh!

Mr. Horner: I hear the hon. member for Calgary South (Mr. Mahoney) interjecting. The hon. member and the minister in charge of the Wheat Board have remained silent while I have been making my point. The minister has failed in any way to defend his reversal of the committee's work. The committee worked for long hours—

An hon. Member: Be careful now.

Mr. Horner: —in hearing the testimony of experts who appeared before it.

Mr. Boulanger: I hope the hon. member is not being carried away.

Mr. Horner: If that is the way the work of the committees is to be treated, let me make this point. I notice the House leader is in the chamber. This happened on May 27, when the House was not sitting in order to allow committees to do their work. Hon. members dutifully attended committees instead of attending this House. The vote on the amendment in committee was 13 to 9. There

was no reason for the shortage of government supporters; it was not their duty at that time to be in the House. The House did not meet on that day for the express reason of allowing committees to be manned so that bills and other matters before them could be dealt with. Apparently the committee did not deal with this particular clause in the way the minister wanted it dealt with.

Some hon. Members: Now, now.

Mr. Horner: I only regret that the minister, who appeared before the committee, could not be more influential with his colleagues. On page 41 of the committee proceedings the minister is reported as having said:

—I do not know that the words "of any kind" have any additional significance.

He went on to say:

My opinion is that the removal of those words would not change in any way the legal effect of the clause.

What has happened to the minister since that time? Did he not know the legislation when he presented it to the House? Was he neglectful of his duty? Was he not aware of what was in the bill?

An hon. Member: No.

Mr. Horner: Or was he attempting to hoodwink the committee into accepting his word that although flax, rapeseed and rye are included in the bill they will not be specifically affected until an Order in Council specifically brings them under the jurisdiction of the Canadian Wheat Board. I hope we obtain an answer. It is not good enough for committee members who have dealt with facts and examined witnesses to be presented with this situation.

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I do not understand the purpose of the amendment and cannot understand the minister's reasons for bringing it forward. Clause 4(2) of the bill as amended in committee provides:

An application shall be verified by affidavit and shall include an authorization by the applicant stating that, where the applicant delivers and sells grain to the board on which an advance has been taken in a crop year under the permit book specified in the application or any permit book issued—

One would think this was sufficient security for the grain on which an advance had been taken. It is, of course, open to the Canadian Wheat Board to specify the kinds of grain on which an advance can be made. It can be clearly stated in the permit book on what grains an advance can be made. Once they are specified and set out, surely when the grower delivers the specified grain on which an advance has been made the elevator agent can proceed to collect whatever is set out in the act. He can collect the amount than properly can be deducted.

Why substitute for that idea the words, "grain of any kind to the board in a crop year"? I cannot understand it. It sems evident in the bill as amended in committee that the Canadian Wheat Board can say: Wheat, oats and barley are grains delivered to the board. If subsequently the act is changed to include rye, flaxseed or rapeseed as grains delivered to the board, then those will become grains on which an advance could be taken.

If the committee had been remiss in its responsibility there would be reason to correct what the committee did through an amendment in the House. The previous speaker said that witnesses were called before the committee. One witness from the Canadian Wheat Board testified briefly. Nevertheless, there existed the opportunity to obtain the evidence of such witnesses. I do not think enough explanation has been given to this House to justify the rejection of the committee's position. If decisions which committees make are to be so easily set aside, perhaps it is not worth the committee's while to go to all this work and trouble.

I think that the bill as amended sets out more specifically the obligations of the producer and the rights of the board. It sets out the obligation of the producer to pay and the right of the board to collect. That obligation is set out in a more specific way than is set out in the amendment. This type of obligation should be spelled out in detail. A cash advance is a contract between the producer and the Canadian Wheat Board, and the more explicit it is the better will be the relationship between the grower and the Wheat Board.

• (8:30 p.m.)

I do not think the proposed wording, "grain of any kind to the board in a crop year," and so on, makes for a clear and precise definition. The way the act was amended and reported to this House does this much better than the proposed amendment.

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I do not like to let this opportunity pass without taking advantage of a few moments to express some of the concerns already expressed so eloquently by the hon. member for Crowfoot (Mr. Horner) with respect to the amendment introduced by the minister to Bill C-239.

I am not going to cover ground already on the record of the committee proceedings during study of this bill or the amendment which the hon. member for Mackenzie (Mr. Korchinski) introduced in the first place. What concerns me is what the minister is doing to the committee system. It seems to me that if we spend time reviewing legislation and bring in an amendment in the Standing Committee on Agriculture and a vote is taken, after thorough debate, which indicates that the majority support it, the minister is then reversing the process if he seeks a further amendment. This undermines the whole political fabric of the committee system. We should ponder what we are doing here. It confuses members of the committee and will confuse people who read the committee proceedings. They must wonder what we accomplish.

The hon. member for Crowfoot has elaborated on the concern felt by western members in particular with respect to this bill and the amendment introduced by the minister. Surely it is using the back door to bring into

effect the enabling legislation in Bill C-238 and the amendments to the Canadian Wheat Board Act. This would make it possible at a future date, by Order in Council, to bring rye, flaxseed and rapeseed under the jurisdiction of the bill. It seems to me to be a back door approach to the implementation of a supposedly long-term plan which exists in the mind of the minister. If that is so, why does he not say what he has in mind?

I am sure this situation must leave questions in the minds of members of this House so far as the committee system is concerned. We have had other examples of how it can break down. There was the unanimous report brought in by the Standing Committee on Indian Affairs and Northern Development with respect to declaring sovereignty in the north. Only after a motion was brought before the House to adopt this report was it finally brought to our attention and by a ruling of the Speaker a vote was allowed. There was a similar situation in the Standing Committee on External Affairs and National Defence. That committee came to certain conclusions regarding the defence policies of this country, and before the report was considered the government had gone off on a tangent and established its own policy.

With these few remarks, Mr. Speaker, I emphasize that I think the minister is doing a great disservice to the Standing Committee on Agriculture, the members of this House and the whole parliamentary system.

Mr. Mac T. McCutcheon (Lambton-Kent): Listening to today's debate on this subject, Mr. Speaker, confirms my belief that the government does not care for committees unless it is to use them as working housewives use day-care centres—it is a nice place to send the boys while the executive runs the country; it will keep the boys out of trouble.

Some hon. Members: Hear, hear!

Mr. McCutcheon: As far as Parliament is concerned, Mr. Speaker, the main purpose of the committees as presently structured and administered by this government is to act as day-care centres chiefly for government members who might be a little restive. The reason is clear. For instance, in the Standing Committee on External Affairs and National Defence 27 members voted to remain in NATO, three Socialists voted to leave but before the report was even considered the government had made its decision and was withdrawing troops from NATO. So I say again that the government has no intention at all of listening to committees; they are just day-care centres.

Another example is the committee which considered the Canada Water Act, which obviously meant to do the best job it could for the country. Clause 20, I think it was, was accepted by the committee, but their opinion was reversed by the government. Apparently it just depends on whose ox is being gored. If the committee report does not follow the lines laid down by the executive, this government almost acts like a crocodile—it would eat its young.

It seems to me, Mr. Speaker, that basically and fundamentally the Canadian Wheat Board just wants to take three more products under its mantle. What we are about to witness is more control over the poor old farmer; three more of his products are to come under a socialist-controlled marketing scheme. If the Wheat Board could claim to improve marketing there might be some excuse, but I recall that the minister said this would not be necessarily the case. What we are discussing tonight is just another case of the arrogance of the executive of this government and complete lack of consideration for hard working committee members, while the agricultural industry of western Canada is burdened with more bureaucracy.

Mr. F. J. Bigg (Pembina): Just a few days ago, Mr. Speaker, I spoke on Bill C-238 and indeed begged that rapeseed not come under the control of the Wheat Board. The Wheat Board has not had a good record in securing sales in the markets of the world despite the assurances we had the other day about the large sale of wheat to Russia. It should not be necessary to exaggerate the benefits of that sale. I notice that it has been very cleverly hedged. The people of Canada think we have a new, $235 million wheat sale when in fact, if we are dealing with honourable people in Russia, the sale was made over a period of some years. What they are doing is picking up the backlog of at least one-third of that total sale.

• (8:40 p.m.)

While on that subject, perhaps I did not make it clear when I said that the Prime Minister visited northern Alberta. I was referring to the then Prime Minister, the right hon. member for Prince-Albert (Mr. Diefenbaker), not the present Prime Minister. Only a short time ago it was considered a great crime to sell wheat to the Communist bloc. It was a very strong plank in the platform of the Liberal party, at least in my district, to say that a man who was broad minded enough to deal with the Communist bloc should not be elected. I am consistent; I have always considered it honourable to deal with anyone who wants to buy grain.

Mr. Lang: Mr. Speaker, would the hon. member permit a question?

Mr. Bigg: Yes, certainly.

Mr. Deputy Speaker: Is the minister rising on a point of order?

Mr. Lang: No, Mr. Speaker. I wish to ask the hon. member a question.

Mr. Bigg: I would be delighted to answer it.

Mr. Lang: I wonder if the hon. member is conscious of the fact—it does not seem so from his remarks—that the first sale to any country in the Communist bloc must surely be the sale to Russia which was made in 1956 by a previous Liberal administration.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: Order, please. The hon. member may answer the question but I suggest to the minister

and the member that we are getting away from the amendment under discussion. When the hon. member has answered the minister, the Chair requests that he confine his remarks to the amendment under debate.

Mr. Bigg: I am delighted that the minister in charge of the Wheat Board is taking his job seriously.

Mr. Horner: Only momentarily.

Mr. Bigg: I assure the minister that I have followed the sale of wheat for nearly 60 years. I am not casting any political aspersions. I tried to make it abundantly clear that sales of wheat are a virtue at any time in western Canada. I am merely saying that I hope sales of wheat to anywhere in the world will never become a political football. The more wheat sales which the minister, the Wheat Board or the administration make, the more delighted we are in western Canada. I merely remind the minister to be consistent in this matter and not to make political hay when we sell wheat. I am not casting aspersions on the government, the minister or any former administration for doing that.

Mr. Guay (St. Boniface): You are doing just what Jack told you to do. He is the leader.

Mr. Bigg: Unless the hon. member, who has sat in this chamber for 13 years, wants to advertise himself as an idiot, he will realize that I have never taken orders from anyone or anything except my own conscience. I represented the will of the people of Athabaska for 10 years, now the district of Pembina. I am not a little dog running at the tail of anyone. I will not lower myself to accuse those who have interjected from their seats that this is a case of the pot calling the kettle black.

Mr. Deputy Speaker: Order, please. The hon. member for St. Boniface (Mr. Guay) is rising to ask a question. He may do so only with the permission of the hon. member.

Mr. Bigg: Yes, Mr. Speaker.

Mr. Guay (St. Boniface): The hon. member just made the statement that he does not take orders from anyone. Does this also apply to the leader of his party?

Mr. Stanfield: Sure.

Mr. Deputy Speaker: Order, please. I plead with the hon. member who has the floor and with hon. members on my right. We are not doing justice to the debate. We have a particular amendment before us for consideration. I do not want to prejudice the hon. member who has the floor because he has been asked a question. He is entitled to make a reply. Following his reply, I ask him to please return to the amendment before the House.

Mr. Guay (St. Boniface): I rise on a point of order, Mr. Speaker. This is exactly why I asked the question. I feel that opposition members have not been speaking to the bill. If they would obey the order, we would also.

Mr. Deputy Speaker: Order, please. The Chair has asked hon. members for order. With regard to the point of order raised by the hon. member for St. Boniface, it does not help the Chair if hon. members to my right ask questions which are out of order. If the hon. member who has the floor is out of order, I suppose he is inviting questions which are out of order. I make no decision on the matter but I plead with hon. members for order.

Mr. Bigg: I will answer questions which are directed to me, although that was not my purpose in rising. I am not responsible for the actions of my leader. I am sure he accepts suggestions from members of this party and from people in his constituency. Although my remarks may not impress the hon. member who just spoke, I ask him to bear with me for a few moments. I am making these remarks in sincerity. I am talking about Bill C-238—

An hon. Member: C-239.

Mr. Bigg: —because this matter intimately concerns me. Both bills are connected with orderliness in agriculture. In my opening remarks I want to show the relevance between the two bills. Unless these bills improve the situation in agriculture, particularly as they relate to sales of not only wheat, oats and barley but rye, flaxseed and rapeseed, there is not much point arguing about this bill. I raised the matter of Bill C-238 because it is definitely connected with Bill C-239.

I said that rapeseed in particular is one of the few remaining cash crops for western farmers. If this commodity and the other two commodities which are closely connected are brought under the control of the Wheat Board, it will be much more difficult for farmers to earn a living. That is why I am here; my constituency is mostly rural. I want to try to make it possible for farmers to pay their bills and repay the government for any cash advances which they receive. I do not see how Bill C-239 can be passed by rural members until it has been properly explained.

The committee has been probing for answers to this question. At present I am not a member of the Standing Committee on Agriculture. This is largely due to the fact that we are somewhat limited in number. However, I follow the proceedings of that committee very carefully and I am worried about what I hear. I presume that this amendment to have the principle behind clause 4(2) of the bill clarified is important or it would not have been introduced by the minister and the hon. member for Mackenzie (Mr. Korchinski).

If the phrase "of any kind" does not mean anything, why is it necessary to amend the bill by including it? I think this point is very relevant. In the past we have been too prone to pass bills which have not been completely understood. I think we are displaying far too much innocence by signing blank cheques for everything. We have signed enough blank cheques around here. We want to know, now, what the small print means. If the expression, "grain of any kind" means nothing, why does the minister not cause to be written into the bill exactly what he does mean? Let him tell us precisely on what grains the government proposes to place a lien when a farmer goes into debt for a few thousand dollars in order to carry on his expensive operations.

• (8:50 p.m.)

We would be delinquent if we did not insist that this important question be straightened out. The hon. gentleman should be consistent. When his colleague the Minister of Agriculture (Mr. Olson) was faced with just such a problem as this, why did he not move an amendment to Bill C-176 excepting cattle and calves from that socialistic, all-embracing piece of legislation? He faced exactly the same problem as the minister in charge of the Wheat Board is facing today. If this is what should be done, why do not all ministers of the Crown act in the same way, particularly when they are all nicely tied together as members of a smoothly working administration, free of criticism of one another, loyal to the top and dedicated to the service of those at the bottom?

There is nothing partisan about this. We are all, I presume, on both sides of the House mindful of the welfare of the western farmer. The committee system is supposed to be an improvement upon our usual antagonistic procedure. We meet in small groups in the presence of expert witnesses. We are supposed to avoid acting like prima donnas and get down to the nitty-gritty in a situation where farmers hear from grain experts and members of the Wheat Board, where ministers talk man-to-man over the bargaining table so that it is not necessary for the prima donnas to get into the act. The committee system does not work unless there is frankness, and I must say that this evening I see no evidence of the frankness one would expect.

It should be extremely easy for a well-meaning minister to let us know exactly what grains are to be the subject of liens. There is no need for double-talk. If there are things to be assumed in the bill, there should be no necessity for assuming anything. Grains of all kinds means rye, rapeseed and flaxseed. They are to be included in the bill, otherwise I can see no reason for mentioning them. If there is to be no change, why talk as though there is to be a change, and if there is a change we have the right, nay, the duty, to find out what these changes are to be.

We keep in constant touch with the farm population. They ask various questions of us and we would look foolish if we were unable to explain to them or their representatives the legislation which purports to straighten out the problems of agriculture. Most of the members from western Canada have a working knowledge of agriculture and we should be able to explain to those who sent us here exactly what we are doing; and if we are not, we should be able to seek advice and assistance from the minister and from his 40 PhDs sitting in the ivory tower. They should be able to translate these proposals into simple, effective English, or French as the case might be, so that we could go back to our constituents and say that not only are we alert to their problems but that we have the benefit of assistance and advice from the vast civil service repository of wisdom which is to be found here in Ottawa.

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

Mr. Horner: May I direct a question to the minister?

Mr. Deputy Speaker: The hon. member has already spoken, but he may direct a question for clarification.

Mr. Horner: Would the minister state clearly that a cash advance taken on wheat, oats or barley could in no way be paid off by deductions with respect to rye, rapeseed or flax?

Mr. Lang: I am glad to say again to the hon. member, as I did in committee, that rapeseed, rye and flax are in no way included in the operations of the agency at this stage although there is a possibility that at some later date, in certain circumstances, including the full support of the producers, they could be involved.

The legislation before the House would only require that if an advance were taken on wheat, repayment could be effected when wheat, barley and oats were delivered, and no other grain; and similarly for barley and oats, when wheat, oats and barley were delivered, but no other grain. The difficulty in the committee was not in relation to whether the words "grain of any kind" were in the amendment but, rather, in the words "upon which an advance has been taken" which, as I pointed out, might have restricted the advance to the very kernels of grain on which the advance had been taken and that would have required a totally different administrative procedure.

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

Mr. Horner: On division.

Motion No. 1 (Mr. Lang) agreed to on division.

Mr. Deputy Speaker: This might be an appropriate time for the Chair to advise hon. members of further reflections with respect to the procedural acceptability of the motions with which we are to deal later. I wish to do this now in order that hon. members may have an opportunity to reflect on those observations and in anticipation of a point of order which may be raised with respect to the motions which are to be proposed at the report stage.

After closer consideration of motion No. 6 in the name of the minister in charge of the Canadian Wheat Board, I have misgivings as to the procedural acceptability of the motion. It seems to the Chair that it may go beyond the provisions of Bill C-239. The position of the Chair in regard to that motion might affect consideration of the comment made by the Chair earlier today with respect to motion No. 7 in the name of the hon. member for Saskatoon-Biggar (Mr. Gleave). It seems to me—I make this observation so that hon. members will know that the Chair has these doubts—that motion No. 6 would amend the act rather than the bill now before us.

Having made these comments I would welcome any submissions which hon. members care to make on the point. In any event, if motion No. 6 is in fact defective from the procedural standpoint, this decision, as I have indicated, can only be made following argument if hon. members desire to assist the Chair. It seems to me that a consensus could be reached by hon. members on the

matter: if it is in fact defective it could, of course, be cured by unanimous consent. Therefore, in accordance with the special order made earlier today the Chair will now put motions Nos, 2, 3, 4 and 5 which are grouped for the purpose of debate.

• (9:00 p.m.)

Mr. MacLean: Mr. Speaker, perhaps the House would be agreeable to standing these at the moment and to proceeding with the one in the name of the hon. member for Crowfoot (Mr. Horner), No. 9.

Mr. Deputy Speaker: Hon. members have heard the suggestion. Is there unanimous consent that we now proceed to the consideration of motion No. 9? My notes indicate that earlier today there was a special order made regarding motions Nos. 8 and 9, which might be considered and disposed of separately; in my view that there is no conflict with other motions is confirmed. Does the House agree to consider motion No. 9?

Mr. Gleave: On a point of procedure, Mr. Speaker, I wonder whether you are prepared to give an opinion on No. 7 as well as No. 6? If I recall correctly, I believe that when the order of business was given to the House this afternoon the question was also raised as to whether motion No. 7 was acceptable to the Chair, and this would influence my attitude to the bill to a very great extent. I wonder whether you would be prepared to give an opinion at the present time on motion No. 7 as well as No. 6.

Mr. Deputy Speaker: The Chair did not make a ruling regard ng motion No. 6. I was anxious merely to indicate to hon. members that there is some doubt in the mind of the Chair as to the procedural acceptability of motion No. 6. As hon. members will recall, earlier today the Speaker indicated that there was some doubt in the mind of the Chair as to the procedural acceptability of motion No. 7. I think that the point taken by the hon. member for Saskatoon-Biggar is a very good one. Although I have not made a decision in this regard, it does seem to me there is an interrelationship between motions Nos. 6 and 7. Without deciding the matter, it does seem to me that if motion No. 6 is defective it can be cured by unanimous consent, if hon. members so wish.

Without suggesting what hon. members might like to do, it seems to me that if motion No. 7 is defective it can be cured in the same way so that hon. members have the benefit of debating both motions and making a decision upon them. For the present the Chair does not take a position on either mot'on. The purpose of my remarks regarding motion No. 6 is that in view of further reflection on the remarks made this morning in relation to motion No. 7 it did appear to the Chair that motion No. 6 might also be defective. So I think they could be dealt with en bloc.

Mr. Gleave: I trust Your Honour will excuse me if I do not understand, but am I correct in saying that you are deferring your decision until a later time?

Mr. Deputy Speaker: Yes, the hon. member understands me correctly. I should like to defer a decision on motions Nos. 6 and 7 till a later date. My remarks on motion No. 6 were only to put hon. members on notice that the Chair thought it might be defective procedurally, as it was indicated earlier today that motion No. 7 might also be defective procedurally. When those motions are reached, the Chair will invite suggestions and assistance on both motions from hon. members.

Mr. Horner: Then may we take motion No. 9, Mr. Speaker?

Mr. Deputy Speaker: There was a very helpful intervention regarding motions Nos. 6 and 7. I will ask hon. members whether there is unanimous consent to proceed to the consideration of motion No. 9.

Some hon. Members: Agreed.

Mr. J. H. Horner (Crowfoot) moved motion No. 9:

That Bill C-239, an act to amend the Prairie Grain Advance Payments Act, be amended by adding the following words immediately after the word "interest" in line 34 at page 11:

"to be set at one per cent above the average rate paid by the Canadian Wheat Board on its borrowing, this rate"

He said: Mr. Speaker, I would gladly not speak at all if I felt that the House were in a mood to accept this amendment. However, having had no such indication I should like to try and persuade the House that all hon. members should view this legislation in a non-partisan manner and be prepared to pass it with the farmers' interests at heart. Surely that was the initial purpose of this particular piece of legislation. No other piece of legislation had the farmers' interests more at heart than the cash advance legislation that was brought before Parliament in 1957. It was not put before Parliament at that t me as a grandiose scheme, as a cure-all for all the ills of agriculture in western Canada. It was brought forward for a specific reason, namely, to help the farmers out of the difficult position in which they found themselves at the time, with huge amounts of grain on hand and no cash.

There was a long debate on the application and feasibility of giving cash advances on grain stored on farms. Many members of the House at that time argued that it was not feasible to do this. Many members of the Liberal Party argued that it just could not be done, that it was an infeasible step, that chaos would develop, that the Canadian Wheat Board would be wrecked, and so on and so forth. History has proved them wrong, because the cash advance legislation has been on the statute books now for something like 14 to 15 years and has worked rather successfully. It was used in the years when large amounts of grain were in the hands of the farmers and deliveries were rather late. In such times farmers were in dire need of cash and they took their cash advances under this legislation. A couple of years ago the legislation was amended and this in essence put the farmer in a very difficult position so he could hardly repay his cash advances.

May I briefly summarize the point that I am attempting to make. The initial cash advance legislation was based in theory on the fact that a farmer could get 50 cents per

bushel of wheat, or 50 cents on the dollar. He got a cash advance that was repaid at the rate of half of the value of the wheat he sold, and such a scheme was quite feasible. The farmer did not sink himself further and further into debt and if grain deliveries were at their relatively normal position he was able to repay his cash advance at the end of the year.

• (9:10 p.m.)

However, three years ago we found great changes taking place in respect of cash advance legislation. The government was then warned this would drive farmers further into debt and they would find it very difficult to repay the cash advances they had taken on their grain. You might well ask why this was so. Two things were done three years ago. The amount loaned to the farmer on his grain as security was doubled, and the rate of repayment was left the same. One can readily understand how this would put the farmers in a position of being unable to repay unless deliveries doubled. This was the only thing which would give them a chance to repay cash advances: deliveries had to double, and that has not been the case. In fact, deliveries have been lower than normal in the last few years. I refer to wheat. What is the story? It can be found in committee proceedings No. 51, at page 17. I asked a question of the representative of the Canadian Wheat Board and Mr. Earl replied:

In the current crop year which is perhaps not too good an example, Mr. Horner, there are 46,675 outstanding accounts.

I should like to emphasize that figure—46,675 outstanding accounts. I am not sure that members of this House are fully aware of the number of permit holders in the three prairie provinces. There are just less than 200,000. This gives you some concept of the number of outstanding accounts at the time of this committee hearing. This 46,000 represents something like 25 per cent of the farmers engaged in the growing of grain. Mr. Earl went on to say:

It was 46,675. A better example, perhaps, would be the last crop year, the one that ended on July 31, 1970. There were 40,044.

This gives one a concept of the importance of the legislation now before us. It involves 25 per cent of the permit holders who find it physically impossible to repay the cash advances they received. The initial concept of the cash advance legislation was to make cash available to farmers actively engaged in the growing of wheat, interest-free. I emphasize the words "interest-free". This was the concept in 1957 and again in 1968 when the act was amended. However, Bill C-239 changes all that. There will not be an interest charge on all accounts in default. We have 46,675 outstanding accounts at this moment, but they are not necessarily all in default. At page 17 the evidence continued, following my question:

When you say "outstanding", do you mean loans that have been made that maybe are not due yet or are due?

MR. EARL: They are due, but as you mentioned a little earlier, the repayment schedule got out of whack—

That is a complete admission by the Canadian Wheat Board that a repayment schedule got out of whack with the rate of advance. Mr. Earl went on to say:

The effect of that was that it caused us a problem inasmuch as we had some difficulty putting the provisions in the statute into effect—

MR. HORNER: Because the farmer could not deliver enough.

MR. EARL: That is right and we did not have a sufficient quota level that would permit him to discharge his advance. However, within the authority under the statute we in essence waived the default proceedings and simply let the accounts run.

What I am saying is very pertinent, because we have 46,000 cash advance payments due and they have waived the default proceedings. The next question is: When do they cease to waive the default proceedings? The explanation in that regard can be found in committee proceedings No. 53, at page 78. This was after a long series of questions by the hon. member for Mackenzie (Mr. Korchinski) and the hon. member for Saskatoon-Biggar (Mr. Gleave). The hon. member said:

Mr. Chairman, it seems to me that this at best is superfluous and I do not think it is legally very good, because with that amendment it would simply read that: "in the opinion of the board", that is, maybe I should read the whole thing:

"(a) within twenty days after the date on which the board mails or delivers or causes to be mailed or delivered a written notice to him—

That is the producer:

"—stating that he has, in the opinion of the board, had adequate opportunity to discharge his undertaking—and requesting him to discharge his undertaking by delivery of grain to the board or otherwise"—

I could perhaps find a clearer passage in the committee proceedings, but it is clearly stated that within 20 days when the board feels the producer has had ample opportunity to discharge his undertaking these accounts are due and are then in default. That is when the interest rate applies. Now we get to the crux of my amendment. I pointed out vividly that when the legislation came into being it was intended to help farmers suffering a severe cash shortage but with grain on the farms. In the initial instance cash advances were made interest free. Through no fault of the farmers the government put the repayment schedule out of whack. That is admitted clearly and simply by Mr. Earl, a spokesman of the Canadian Wheat Board, when he stated on the page from which I quoted that the repayment schedule got out of whack.

We now have 46,675 accounts due. Within 20 days' notice by the Canadian Wheat Board every one of those accounts would be in default. I do not suggest they will be, but they could be. Then the government would immediately charge interest. What interest rate should be charged? Let me emphasize that when this legislation was brought in there was no interest but the farmer was driven into debt and put into a position where he could not repay, through no fault of his own. This occurred when the repayment schedule was changed with the adjustment in 1968.

What interest rate is the cruel, mean government going to levy? Is it going to levy all the market will bear? I would hope not. Section 13 of the act says that in pre-

scribing the rate of interest payable on cash advances made during the crop year for which the interest is required by this act, it has to be paid on the advance payments, so it does not spell out what the interest rate will be. No formula is given concerning how the interest rate is to be calculated. Is that fair in respect of legislation to help out the farmer, under which originally advances were interest free? The government, in its ill-advised wisdom, has introduced shameful legislation to drive the farmer into debt. Members on this side of the House advised the government that the net result would be that the farmer would be driven into debt. In respect of the repayment schedule, Mr. Earl, as recorded in committee proceedings No. 51, at page 7, said:

• (9:20 p.m.)

They are due, but as you mentioned a little earlier, the repayment schedule got out of whack with the rate of advance.

How could anything be more clear? Those are the words of the spokesman for the Canadian Wheat Board before the agricultural committee. So the repayment schedule got out of whack through no fault of the farmers. Notice of 20 days is to be given before the 46,000 farmers may be charged interest. What has been in other agricultural legislation with regard to setting the interest rate? In almost every piece of agricultural legislation presented to this House the interest rate or the formula for arriving at the interest rate has been clearly spelled out. The Farm Credit Corporation is one example. The formula in respect of the interest rate is clearly spelled out as being one per cent above the prime government borrowing rate.

In the Farm Improvement Loans Act the formula in respect of the interest rate is clearly spelled out. In the initial concept cash advances were interest free, but now no attempt is made to spell out the formula under which interest will be arrived at. In essence, it will be all the market will bear. One becomes pretty leary about this government when it seeks the power and the right to charge farmers for whatever service they receive. I have long since come to the conclusion that this government is bent on trying to get back every dollar it has paid out in the field of agriculture. The government is trying to remove itself from every obligation which may cost it money.

Bearing that in mind, one might ask what motivates the government. One cay say the government is being abusive in charging interest because when this legislation was first devised and introduced cash advances were completely interest free and worked quite sucessfully until the government changed it and put the repayment schedule out of whack. Now there is to be an interest rate. One could readily say it should be no higher than 5 per cent, the rate charged under the Farm Improvement Loans Act, a nominal fee for the use of money paid out on grain as security which is in the farmer's graneries. The feeling is that a rate of 5 per cent would be rejected out of hand because the government increased the 5 per cent rate on farm improvement loans by 2 per cent, which is about a 40 per cent increase.

It is no wonder Mr. Barber in his report on the cost of farm machinery commented on that matter. Let us look at other legislation. When the old farm loans organization was changed in 1958 to the farm credit set-up there was heated debate inside and outside this House concerning the interest rate that should be charged. Five per cent was the figure arrived at. The government changed that and it is now 7¼ per cent, or in that vicinity.

We wonder what the government would charge under clause 13 when no formula is given and no rate is prescribed. We are being asked to leave it to the government to set a rate when it declares a portion of the 46,000 loans to be in default and due. Mr. Speaker, that is not good enough for me. I would be less than honest with the people whom I represent in this House if I did not attempt to have written in an interest rate formula. Most of my constituents will accuse me of writing in a formula which is too high. I expect that accusation because I believe it is too high. However, I wrote it in as one per cent above the average rate charged the Canadian Wheat Board on its borrowings because I wanted the government to accept this amendment.

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but the time allotted to him has expired.

Mr. Horner: Mr. Speaker, I have just a few more comments.

The Acting Speaker (Mr. Laniel): Does the House agree to allow the hon. member to conclude his remarks?

Some hon. Members: Agreed.

Mr. Horner: Mr. Speaker, I acknowledge the gracious attitude of the Chair and the House, but I believe the mover of an amendment has 40 minutes. I do not believe I have spoken for 40 minutes. In any event, I shall not ask the Chair for a ruling on that touchy subject.

I was saying I did not attempt to write in the lowest rate of interest I felt should be charged. I did not attempt to write in a rate of interest which I felt might result in my being accused of writing in one that was too low, because I felt in that case the government would callously disregard the amendment. I endeavoured to write an amendment which the government would find acceptable. In the committees, members of this House are supposed to be non-partisan. I see, Mr. Speaker, that you have found the authority in respect of my suggestion. I can assure you I shall not take my 40 minutes. As I was saying, I tried to bring in a formula in respect of an interest rate which would be adjustable with varying conditions and varying times in the Canadian grain industry, and not in an industry unrelated to cash advances.

• (9:30 p.m.)

Through this amendment I am attempting to write in a formula that is acceptable to the grain industry. I hope the farmers will forgive me for putting the rate so high, but at least if accepted the government could not put its

rate higher. Knowing the government's desire for putting interest rates higher. I felt that somewhere, somehow an amendment could be written in or a formula could be devised setting interest rates under this legislation, rates which would not penalize the farmer who is in default through no fault of his own but simply because the government made a mistake and put the repayment system out of whack.

I hope that my words have not fallen on deaf ears. I hope the government will come to understand the initial intent of the cash advance legislation. Cash advances were to be interest free. Now the government feels it must charge interest on loans that are in default. But surely it has enough feeling for the farmer who is in deep trouble that it will write in a formula so that the farmer will know exactly what the interest charge will be, so that he will know whether to borrow money from the bank under the Farm Improvement Loans Act or from the Farm Credt Corporation, instead of taking a cash advance on the grain that he has in storage.

Under the terms of this legislation he may take a cash advance in the fall and he will not know if he is in default until the following spring or summer and at that stage he will be charged the interest rate. This is not fair ball, considering the original intent of the act. I hope the government will give this amendment serious thought and will not callously reject it.

Mr. Lang: Mr. Speaker, this or a similar amendment was discussed fairly fully in the committee. The interest rate, of course, will be fully known to any farmer before he takes his cash advance. Prior to the crop year the interest rate, in case of default, will be known.

I should like to point out again that this interest rate does not in any way change the basic principle that cash advances are interest free. Interest is charged only when a loan is in default and it should be borne in mind that placing a farmer in default is something that is exercised with great care by the Wheat Board. Only those farmers who did have repayment opportunities and did not take advantage of them are put in default, and only in respect of them is interest applicable. Last year we extended additional cash advances to farmers at a time when they were badly needed. Now as a result of other programs there will be less need for this type of assistance.

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

Some hon. Members: Question.

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

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): According to Standing Order 75 (11), this vote stands deferred.

Mr. Lang: On a point of order, Mr. Speaker, I think it might suit hon. members better if rather than proceeding with motions Nos. 2, 3, 4 and 5, at this point we take motion No. 6 which stands in my name. In that connection I would like to observe that a few moments ago a point was made that there might be considered to be some procedural difficulty in connection with this motion. However, I think from the discussions in the committee there might be a general disposition to allow it to be put notwithstanding that observation, since it seemed to receive support on all hands. Therefore I would be glad to seek unanimous consent to put motion No. 6 at this time.

The Acting Speaker (Mr. Laniel): Order. The House has heard the suggestion of the minister as to the possibility of the House, by unanimous consent, agreeing to study and examine motion No. 6. Unless hon. members have any comments to make on that suggestion I will ask the House if there is unanimous consent.

Mr. Horner: I would like to cemment on this matter. Mr. Speaker. The previous occupant of the Chair suggested that motion No. 6 was really an amendment to the act and not to the bill that is before the House. I think it would be remiss if the House spent some time dealing with an amendment which in essence is out of order. I would not want to be party to establishing the precedent that we spend an hour or half an hour debating an amendment which in essence is out of order. I think we should have a ruling whether it is in order or out of order. If it is in order, I would be perfectly agreeable to our dealing with it now.

The Acting Speaker (Mr. Laniel): I must remind hon. members that the present occupant of the Chair was not in the House at the time that point was raised and it would be very difficult for me at this time to make a ruling on the acceptability of motion No. 6, not having heard the arguments that were made previously. I think it would be unfair for the House to expect me to make a ruling now. May I suggest that if the hon. member for Saskatoon-Biggar (Mr. Gleave) is ready, we might go back to motion No. 8.

Mr. A. P. Gleave (Saskatoon-Biggar) moved motion No. 8:

That Bill C-239, An Act to amend the Prairie Grain Advance Payments Act, be amended by deleting the following words from subclause (1) of clause 11 in lines 35 to 38 at page 10:

"or has, otherwise than by delivery to the board, disposed of all or part of the grain in respect of which the advance was made,"

He said: Mr. Speaker, I moved this amendment in committee and I am moving it again now mainly because

I do not think it should be a part of the duty of the Canadian Wheat Board or the practice of the board to become a sort of snooping agent, to go around and see what a farmer had done with his grain. When this matter was discussed in the committee the minister, in answering a question that I asked, said:

—the difficulty with this amendment is that it would hamstring the board in one very important type of case where it comes to its attention that the person has, in fact, disposed of his grain.

I then asked the minister:

In what manner does this, then, come to their attention? Does an elevator agent inform them that the farmer sold his grain or does somebody else tell them? How do they know?

The minister answered:

Any possible number of ways. The farming community is sometimes aware of what is going on in regard to the neighbouring situation and if it is concerned about it, it may very well draw it to the attention of the board.

• (9:40 p.m.)

Are we to assume that neighbours are watching each other and slipping around to the Canadian Wheat Board saying, "I think Joe Blow has sold the grain that he got his cash advance on"? Does the Wheat Board then send someone out to Joe Blow's place to see whether he still has any grain on his farm, and if they do must they have a search warrant or do they just go on a sort of snooping expedition?

Mr. McCleave: Snoopocracy!

Mr. Gleave: Yes, snoopocracy. It seems to me altogether wrong to put this phrase in an act and to charge the Wheat Board with finding out what an individual did with a certain amount of grain. They probably have not the means of finding that out. Having made the cash advance, it seems to me the Wheat Board has a clear responsibility to recover the money by whatever means are open to it. If it doen't get it this year it will probably attempt to get it next year, and that is quite proper. After all, the farmer borrowed the money and gave an undertaking that some time in the future, as quotas opened, he would deliver grain and pay what he owed.

As the bill is now drawn, the Wheat Board is charged with responsibility to find out if the farmer, in the words of the clause—

—has, otherwise than by delivery to the board, disposed of all or part of the grain in respect of which the advance was made.

In most cases they cannot do this. At what point in time will they undertake to find this out? Will it be before the account is due? They have no right to inquire before it is due. Will it be after the account is due? If so, what does it avail them? Are they any better off after the account is due if they find out what has been done with grain which in effect they had a lien on by reason of the cash advance? When the bill was before committee I inquired about this but did not receive a satisfactory answer.

If there is to be a system of inspecting farms to find out where the grain has gone, it should be a regular system. The minister or other witnesses should be able to tell the committee what machinery is to be set up for inspection, how it will operate and what its powers are. The limits of that power should also be known. Nothing could bring the Canadian Wheat Board into disrepute more quickly than for it to be generally understood that they had inspectors in the country snooping to find out what had happened to certain amounts of grain. This is just not a workable system. It is for this reason, Mr. Speaker, that I have moved this amendment. I sincerely hope the House will give it serious consideration and remove this objectionable phrase from the bill.

Mr. Lang: Mr. Speaker, as indicated in committee the words in question are important because they relate to some instances where fraud may occur in connection with the cash advance system. While snooping is not intended, if fraud should come to the attention of the authorities it is appropriate that they should have the power to take immediate action. This seems to me to be quite legitimate. It is important to the maintenance of the cash advance system. I therefore urge hon. members to oppose the amendment.

Mr. Horner: I should like to speak briefly on this amendment, Mr. Speaker. I well remember when the hon. member for Saskatoon-Biggar (Mr. Gleave) brought this aspect of the legislation before the committee. At that time I agreed that it was not clear how this clause should be interpreted. It reads as follows:

or has, otherwise than by delivery to the board, disposed of all or part of the grain in respect of which the advance was made.

Mr. Lang: That is the way it appears in the present bill.

Mr. Horner: You are quite correct. I read it from the present bill.

Mr. Lang: It is in the present act.

Mr. Horner: I remember that the minister also said that in committee, but prior to the present act we did not have 46,675 outstanding accounts, so one has to look at this matter in a different light. We did not have the interest rate.

Mr. Basford: What was the dollar value?

Mr. Horner: I think it was in the neighbourhood of $51 million, but don't hold me to that. The point I am making is that it is a lot of money and represents a great many permit holders. We have to ascertain how the loans will be paid back.

It was learned in committee that from 300 to 600 cash advances were repaid in cash. In other words, when a loan or cash advance was taken on grain and the grain was not delivered it could be fed to livestock or sold to a feedmill or a feedlot at a higher price and the farmer could then repay the elevator man or the Canadian Wheat Board in cash. I wondered how many people did that, and in committee we were told from 300 to 600 and that is not surprising.

At the moment the average price for barley sold in my area through the Canadian Wheat Board is about 72 cents a bushel. Just the other day the minister stated that he did not think a final payment would be made on barley, but if one were calculated it would be so small that it would not be worth while attempting to pay it. So the farmer receives 72 cents for his barley in the elevator but he can take it down the road to a feed lot and get 80 cents, so naturally that is what he is going to do. Although he may have taken a cash advance he is not inclined to deliver it to the elevator and lose 8 cents a bushel. Instead, he attempts to repay the cash advance in cash because this is more beneficial to him.

• (9:50 p.m.)

Some farmers attempt to repay cash advances partly through sales of grain and partly by cash. According to evidence given to the Standing Committee on Agriculture, approximately 15,000 farmers repay their advances partly in cash. On page 49 of committee proceedings No. 53 the minister gave the exact figures. When dealing with agricultural legislation one must be careful to quote accurate figures to avoid being accused of using misleading figures. The minister said:

> I am told that the figure of producers paying off their advances totally in cash has ranged between 300 and 600; paying off partly in cash has ranged between 13,000 and 15,000.

That answer clearly spells out the number of farmers who repay partly in cash as well as those who repay all their advances in cash. This amendment deals with another aspect of the matter. The Wheat Board may take it upon themselves to ascertain whether a farmer has actually sold the grain, against which he took the advance, to a feed mill or feed lot or whether he sold it to a neighbour for a seed grain. If the board's informants discover that the farmer no longer has the grain, the board can attempt to foreclose, declare the cash advance overdue and attempt to collect it—and interest may be charged. One witnesses under this government a creeping increase in the use of bureaucracy.

An hon. Member: It is galloping, not creeping.

Mr. Horner: There is a creeping extension of the use of bureaucratic power within the structure of government. The minister has said that the powers referred to were included in the old act. Certainly they are in the old act, but there were not 46,000 producers behind in payments and whose payments were due. Under the old act the government did not attempt to snoop into the lives of people engaged in various sectors of our economy. These powers may have been available to the bureaucracy but they were not used.

Mr. McCleave: Now there is to be snoopocracy.

Mr. Horner: I hear a new word, snoopocracy, in connection with this bill. The snoopocracy of an overzealous government will attempt to pry into the financial and economic affairs of individuals. When I said that we are witnessing a creeping extension of the powers of bureaucracy, an hon. member interjected by saying that the extension is galloping, not creeping. More and more Canadians are becoming aware of this fact and are afraid of the trend.

Canadians recently returned their census forms. Most of them are hypersensitive to the idea of bureaucratic empires being built up and directed by the government. I am not criticizing the civil service and I hope that civil servants will not misinterpret my remarks. These powers have long been available to the civil service but have not been used. That is true of many other pieces of legislation. Now the civil service is being asked to use its power and to develop its talent for snooping into the private and economic affairs of farmers. I underline the phrase "economic affairs". Although the Prime Minister (Mr. Trudeau) said that the government has no business in the bedrooms of the nation, it seems clear that it believes it has some business with the pocketbooks of people of this nation. It is concerned about the farmer's ability to repay. I see the minister nodding his head in the affirmative. I appreciate his being so co-operative and candid. Farmers are losing their ability to repay.

I would not mind if a farmer were placed in a difficult position through actions he himself took. But the farmer has been placed in this position as a result of government action. No matter how many wheat sales are made, the government has placed the farmer in this position against the advice the opposition gave at the time. They have placed him in this position by bringing the repayments under this legislation and by putting out of whack, to use Mr. Earl's words, the farmer's ability to repay. I regret, to see this happening in the field of agriculture. I regret that the minister seems to be taking this in his stride. He seems proud that he will be the big boss of the new snoopocracy which is to operate under the Canadian Wheat Board.

I regret that the government has resorted to this action in the field of agriculture, particularly since agriculture is encountering greater and greater complications with regard to the quota system and the delivery system. I regret that the snoopocracy and the threat of intervention by the snoopocracy will affect the qualify of life of the farmer and the freedom he has enjoyed until this time.

May I call it ten o'clock, Mr. Speaker?

PROCEEDINGS ON ADJOURNMENT MOTION

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

EXTERNAL AFFAIRS—SOLUTION FOR PROBLEM OF REFUGEES FROM EAST PAKISTAN NOW IN INDIA

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on June 2 I asked the Prime Minister (Mr. Trudeau) what steps the government was taking to promote a long-range solution to the crisis in India and Pakistan. With the sardonic flippancy which so often characterizes his utterances about matters domestic or foreign, the Prime Minister sought to score points rather than convey informa-

tion. I hope that the tragic events since last Wednesday have convinced him that this is one of the grave international problems of our time and not the subject of smart aleck debating gambits.

It seems to me there are two aspects to which we should give our earnest attention and concern. The humanitarian problem is assuming massive proportions. The stories coming in daily of disease, suffering and death among the hopeless millions of refugees should move all of us to compassion and the government to greater action. I have commended the grant of $2 million; but surely in the face of such an immense tragedy it is time to look at the question again and to seek new avenues for translating the concern of the Canadian people into action by their government.

The United States has increased its financial contribution; it has sent large military transport aircraft. I asked the other day what this country planned. The director of Oxfam, Dr. Pierre Cournoyer, has been telling the people of this country some stirring things about the problems in Calcutta and the depth of the human tragedy being played out in the area.

• (10:00 p.m.)

I hope that the government will not delay or procrastinate on this matter but will assist all non-governmental organizations desirous of helping and able to help. I hope it will use its resources to ameliorate the suffering. I believe there will be a disposition in all corners of this House to support increased efforts to help in a case where it is so painfully obvious that much help is needed.

The other aspect of the case, and naturally it is related to and indeed antecedent to the other, is the political question. This is not now a domestic matter. One country, India, has received millions of citizens of another land. It cannot be assumed that India, with its own grave problems, can assume this burden. Some way must be found whereby the millions of East Pakistanian refugees will return to their homes. This will require from the Pakistan government some attitudes and adjustments which have not yet, so far as we know, been apparent.

The existing situation threatens not only the economy and poverty of India but the peace of the world. It is incumbent upon all friendly states to do their part to help further a solution. Canada is a member of the Commonwealth. India and Pakistan are fellow members. Can this body not be used?

The United Nations, of which we are charter member, has various organs and procedures for taking up matters which constitute a threat to world peace. Why does Canada not take some initiative in having the matter considered by the UN? Surely some kind of UN presence should be put into being to look carefully into the serious and threatening situation. The world cannot allow another large group of refugees to be cast adrift for years. Surely the experience of the Palestinian refugees should jolt us out of complacency and stir us into action. Something must be done soon. I ask the government not to hesitate in giving leadership. It is for such leadership that I call once more.

[Mr. Macquarrie.]

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I am pleased that the hon. member for Hillsborough (Mr. Macquarrie) is as deeply concerned about this tragic situation as is the government.

The government is acutely aware of the problems created for India and for the stability of South Asia by the influx of refugees from East Pakistan. As we all know, the origins of this problem lie not in India itself but in East Pakistan and in the breakdown of discussions between the government of Pakistan and the Awami League. In common with other governments, Canada has urged on the government of Pakistan the need to resume the search for a political solution and to establish conditions which will permit refugees from East Pakistan to return to their homes. We have also offered relief assistance to East Pakistan. Beyond that, Mr. Speaker, there is little that outside governments, no matter how well disposed, can do in a situation of this kind where the contending parties would be understandably sensitive to any attempt to prescribe, much less impose, a solution.

Pending a political settlement, the problem of caring for the Pakistan refugees in India is one which is receiving the urgent attention of the United Nations High Commissioner for Refugees, the World Food Programme the League of Red Cross Societies and other international organizations. A number of countries have indicated their intention to share some of the burden thrust upon the government of India. It is clear that the amount of aid for relief purposes will depend not only on the number of refugees now in India but on the rate of influx, the length of time before a settlement is reached and the willingness of refugees to be repatriated at that time, together with a large number of additional factors which cannot be determined at this time. Every effort is being made to obtain the information on which an assessment of future requirements can be made and all appropriate governmental, intergovernmental and private organizations are being consulted in this process.

Having said this, I can assure the House that we are in close and constant touch with the United Nations family of organizations with a view to assisting, in so far as we can perform a useful and desired role, in bringing about an accommodation which will provide the greatest equity for those directly concerned. Canada is a member of the Aid to Pakistan consortium and is taking an active role in the consideration which that body is giving to the situation in Pakistan. Within the International Bank of Reconstruction and Development and within the International Monetary Fund we intend to explore with other interested groups the means whereby appropriate arrangements for the future well-being of all concerned can be assisted.

Officials of the Canadian government are in close contact with the government of Pakistan and other countries which share our interest in reaching an appropriate program. It is our view that through close collaboration with other countries we can contribute most effectively to creating conditions in which a political settlement will be possible. The ultimate responsibility for reaching that

political settlement necessarily rests with the contending parties.

UNEMPLOYMENT—EFFECTIVENESS OF MANITOBA DEFICIT FINANCING PROGRAM IN DECREASING UNEMPLOYMENT —SUGGESTED CONSULTATION

Mr. David Orlikow (Winnipeg North): On May 13, Mr. Speaker, I asked the Minister of Finance (Mr. Benson) whether in view of the fact that unemployment in the province of Manitoba was reduced steadily in the three months between February and April, in contrast with what happened in the rest of the country, he would give consideration to discussing with the Minister of Finance of Manitoba the process by which the government of Manitoba had been able to achieve that happy result.

In May of 1971 we were able to get the figures for unemployment in Canada during the month of April. They showed that 567,000 people were unemployed, 6.7 per cent of the labour force, calculated on a seasonally adjusted basis. This represented a sharp increase compared with the same month in 1970—the rate of increase had risen steadily up to the month of April. By contrast, in Manitoba unemployment in February amounted to 22,000; the seasonally adjusted rate of unemployment was 6 per cent. In April, unemployment had dropped to 18,000 and the seasonally adjusted rate was only 4.8 per cent.

Manitoba is, I think, the only province in which such a decrease took place. It was not an accident. The provincial government realized as early as 1970 that unemployment would be serious in the winter of 1971. It felt the federal government was overreacting to inflation and that its policies of restraint would likely cause widespread high-level unemployment, as it has done, throughout the winter of last year and probably for the rest of this year.

More than a year ago, therefore, the government began to make plans to deal with unemployment to the extent that a provincial government can. It set aside $32 million in its capital supply estimates for special public works and construction projects which could be started quickly if, as they suspected and feared, unemployment became much more serious. In addition, they provided a further $70 million for public works and housing projects. Beginning as early as October last year a whole series of projects was undertaken. Construction of schools in 26 centres, costing $34 million, was announced in addition to six regional, vocational secondary schools costing $21 million. This cost was, of course, shared with the federal government. Norway House schools, where the population is almost entirely Indian, were begun. University construction amounted to $4 million and there was public housing amounting to almost $12 million, the cost of which was shared with the federal government.

• (10:10 p.m.)

This was in October, 1970, and in November the Manitoba government announced a greatly accelerated public housing program to be initiated by the provincial government and financed jointly, of course, with the government at Ottawa. However, the provincial government has taken the lead and this year there will be 2,200 public housing units built in Manitoba, an increase of more than 100 per cent over the number of public housing units built in 1970 and an increase of more than 1,000 per cent over the number of public housing units built by the former government.

In December the government of Manitoba announced an expanded public housing program which was not as large as they wanted because Central Mortgage and Housing Corporation would not agree to share the cost to the extent proposed by the government of Manitoba. Nevertheless, the Premier made it clear that he was clearly dissatisfied with the fact that, during the period 1968 to 1970, of 25,000 new dwelling units built in the province of Manitoba only 1,000 provided accommodation for people with incomes of under $5,000.

The Premier made it clear that the government of Manitoba would do everything it could to change this situation and to provide, as I have said, for a much larger percentage of housing starts in the province being devoted to public housing accommodation for people in the low-income brackets. The government of Manitoba has set a goal for the years 1971-75 of building about 4,500 units for elderly persons' housing in view of the steadily increasing number of senior citizens in Manitoba, as in other provinces.

This is the kind of program that the goverment of Manitoba has implemented, not just because it is required but because the government felt very strongly that at a time when unemployment is so prevalent and growing so rapidly governments must take the lead in providing, through necessary and worth-while projects, increased employment opportunities for the people of Manitoba. I suggest that the federal government follow the same line in its policies.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the unemployment rate in Manitoba, as published by the Dominion Bureau of Statistics, declined from the January peak of 6.5 per cent to 4.8 per cent in April. However, contrary to the information the hon. member has, these figures are not seasonally adjusted and therefore do not accurately show in the unemployment trend because the unadjusted rate usually falls by about 1.5 per cent over the first four months of the year. Also, the Manitoba unemployment rate is classified by DBS as an "f" statistic and according to DBS this category of statistics is their second least reliable.

The impetus to increasing employment and reducing unemployment in that province is coming from the housing sector and from new capital expenditure in primary industries and construction industries where 1971 investment intentions indicate that expectations regarding new capital outlays are for an increase of 15.5 per cent after a decline of 13.6 per cent in 1970. New capital outlay intentions for housing are up by 23.8 per cent in 1971 following the 5 per cent drop in 1970. Housing starts in the fourth quarter of 1970 rose by 54.2 per cent over the fourth quarter level of 1969, compared to the 45.2 per cent rise for Canada as a whole. The provincial government expenditures rose by approximately 25 per cent in the 1969-70 fiscal year. However, the 1970-71 expenditure

increase is not as expansionary and should increase by roughly 12 per cent.

Mr. Speaker, the Prairie region of which Manitoba forms a part has been considerably less affected by unemployment than other regions of Canada. The seasonally adjusted rate for the Prairies for April was 4.3 per cent, compared to 6.7 per cent nationally, 8.1 per cent for the Atlantic region, 8.4 per cent for Quebec, 5.7 per cent for Ontario and 7.6 per cent for British Columbia.

While we would certainly not minimize the efforts of any provincial government toward the reduction of unemployment, we are constrained to note the very favourable trend existing in Manitoba which also pertains to the other provinces in the Prairie region where governments do not admit to the hon. member's political persuasion. All these governments are to be congratulated.

THE BUDGET—REQUEST FOR CONSIDERATION OF CIRCUMSTANCES OF ELDERLY RETIRED PEOPLE

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, on Wednesday, June 2, I asked the Minister of Finance (Mr. Benson) the following question:

> Will he assure us that some regard will be had for the circumstances of the elderly retired on fixed incomes in his presentation to us on June 18?

The minister replied:

> Mr. Speaker, we always do our best to look after the old people.

Faced with an answer like that, any sensible person would be frightened to death. I could only do one thing and that was to go for the jugular, which happens to be this inspired part of the evening on the late, late show. Here we are, and I am rising to suggest—I hope this question will be received by the parliamentary secretary—that one is frightened about discrimination against elderly people. I have in mind those who are not able to tackle inflation by the sweat of their brow, so to speak, because they are no longer at the point where they can effectively work and earn that extra wherewithal to deal with inflation.

I know of a situation which is really only partly the fault of the Department of Finance. It involves an old gentleman in his mid-eighties who was receiving the old age guaranteed supplement and also war veterans allowance. Thanks to the computerized formula, he receives $5 less per month although he and his wife receive a little more income. This is how things work in the computer age. When you are in your mid-eighties you will find yourself taking home less pay to feed yourself and your wife even though the family income is greater. This is a blight on the human spirit. This gentleman is quite depressed about how the computer age has treated him. I just draw that matter to the attention of the parliamentary secretary.

My main point this evening is an argument for higher exemptions in two different directions. The mail I get, like the mail which I believe is received by other hon. members, suggests that if there is one area of tax reform which we should look after it is higher exemptions for those on fixed incomes, particularly old age pensioners. I do not think there is any question about this. Out of every 10 letters I receive on the subject, nine are in that vein. The tenth usually deals with an esoteric subject such as capital gains.

If my experience is typical, and I have reason to think it is, this is the area in which the minister has to do his work well on June 18 or we will face some kind of a revolution by the aged of this country. There must be lower taxes for the fixed income, retired group. This can be done in several ways. There could be increased exemptions for all. I have argued previously—I note this in passing since my time is running short—that there should be correlation of a pretty relevant kind between increased exemptions and the poverty level, probably a double exemption for each individual.

• (10:20 p.m.)

The second point is that we should give an increased exemption to the elderly, say in the amount of $1,000 instead of the $500 they now enjoy, because they have expenses which most of us who are younger do not have. They have expenses in respect of medicines, diet, furniture and accommodation because some of them are in wheelchairs and cannot live in walk-up accommodation. I believe these two points should be borne in mind.

Finally, as my third point I would say it may be there should be a combination of an extra exemption for everybody and an additional exemption for old age pensioners. I place this upon the shoulders of the parliamentary secretary who I know will draw my point to the attention of the Minister of Finance. In brief, because I am dealing with the elderly since they have extra costs and are not able to fight against insidious inflation, I would hope the Minister of Finance on June 18, when he stands in his place in a House much more full than it is at the present time, would convey good news to our older citizens.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the hon. member is very well aware that questions regarding the content of the forthcoming budget cannot be answered at this time. Representations in this particular area have been received and the minister is aware of the various points of view and representations, including those expressed by the hon. member. I am afraid no further response is possible at this time.

Motion agreed to and the House adjourned at 10.25 p.m.

HOUSE OF COMMONS

Tuesday, June 8, 1971

The House met at 11 a.m.

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Derek Blackburn, Esquire, member for the electoral district of Brant.

* * *

NEW MEMBER INTRODUCED

Derek Blackburn, Esquire, member for the electoral district of Brant, introduced by Mr. David Lewis and Mr. Max Saltsman.

• (11:10 a.m.)

ROUTINE PROCEEDINGS

MISCELLANEOUS PRIVATE BILLS AND STANDING ORDERS

CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Victor Forget (Saint-Michel) moved that the second report of the Standing Committee on Miscellaneous Private Bills and Standing Orders, presented to the House on Thursday, June 3, 1971, be concurred in.

Motion agreed to.

CONCURRENCE IN THIRD REPORT OF STANDING COMMITTEE

Mr. Victor Forget (Saint-Michel) moved that the third report of the Standing Committee on Miscellaneous Private Bills and Standing Orders, presented to the House on Thursday, June 3, 1971, be concurred in.

Motion agreed to.

[*Later:*]

[*Translation*]

Mr. Speaker: If I understand correctly, the hon. member for Bellechasse (Mr. Lambert) would like to move a motion under Standing Order 43. We have already completed consideration of motions but, with the consent of the House, we might revert to motions so as to enable the hon. member for Bellechasse to move this motion. Does the House agree?

Some hon. Members: Agreed.

INDUSTRY

CLOSING OF CHEMCELL LIMITED MONTMAGNY PLANT—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, pursuant to Standing Order 43, I should like to move a motion concerning a case of urgent necessity.

In fact, the President of Chemcell Limited has announced that they will be closing down their Montmagny plant in the autumn of 1971, due to market requirements and primarily to foreign competition. This will result in the lay-off of more than 300 workers and will affect 2,000 persons, thus worsening the already acute economic situation in the city of Montmagny.

Therefore, seconded by the hon. member for Kamouraska (Mr. Dionne), I move:

That the House give unanimous consent that this important matter be deferred to the Standing Committee on Finance, Trade and Economic Affairs, in order that this committee may study ways and means to prevent closing down of the plant and report to the House as soon as possible.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Bellechasse under the provisions of Standing Order 43. It cannot be put without the unanimous consent of hon. members. Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put to the House.

* * *

[*English*]

TRANSPORT

INCREASE IN NOVA SCOTIA-NEWFOUNDLAND AND PRINCE EDWARD ISLAND-NEW BRUNSWICK FERRY RATES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I beg leave to move a motion under Standing Order 26, seconded by the hon. member for St. John's East (Mr. McGrath):

That this House do now adjourn for the purpose of discussing a specific and important matter requiring urgent consideration, namely, the large and unexpected increase in rates charged on ferry services operated by the Canadian National Railways, connecting the provinces of Newfoundland and Prince Edward Island with the mainland of Canada.

On a question of privilege, perhaps I might be allowed to add that since notice of this motion was given I believe the Minister of Transport (Mr. Jamieson) has issued a statement to the effect that the increase on the

Newfoundland service will be partially disallowed. However, the principle to which I object still stands.

Some hon. Members: Hear, hear!

Mr. Speaker: The hon. member for Malpeque has given the Chair the notice required under the terms of Standing Order 26 and I have given the matter serious consideration.

As hon. members know, the Chair is bound by the Standing Order to take into consideration not only the importance and urgency of the matter but also the opportunity for debate in the foreseeable future. As hon. members know, in the days ahead there will be many opportunities to discuss matters as important as this one.

The question of privilege raised by the hon. member for Malpeque, that is, the point he made that having given notice of this motion an announcement has come from the office of the Minister of Transport, takes some of the urgency out of the proposal submitted by the hon. member for Malpeque. The hon. member says that he still objects to the principle. I suggest to him and to the House that, if it is the principle that is suggested for discussion, the circumstances to which I have alluded assume special importance in that there will be many occasions in the days ahead to discuss the substance of the motion raised by the hon. member for Malpeque, seconded by the hon. member for St. John's East.

ORAL QUESTION PERIOD

WELFARE

POSSIBILITY OF PROVINCES OPTING OUT OF CANADA ASSISTANCE PLAN AND RECEIVING FISCAL EQUIVALENT

Hon. Robert L. Stanfield (Leader of the Opposition): I should like to ask the Prime Minister whether the government has agreed to or proposed for consideration the possibility of any province opting out of the Canada Assistance Plan and adopting in lieu thereof a program such as a guaranteed annual income and receiving from the government of Canada the fiscal equivalent of what it would have received had it continued to operate under the Canada Assistance Plan?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. As the question has been asked, especially in the context of fiscal equivalents, there has been no suggestion by the government of Canada to that effect or agreement thereto—no suggestion by us or agreement to any suggestion of that nature.

Mr. Stanfield: Has the government of Canada proposed, or agreed to, a province opting out of the Canada Assistance Plan and receiving any form of alternative fiscal reimbursement?

Mr. Trudeau: No, Mr. Speaker. But as I said in reply to questions yesterday, this matter, like others, is being discussed and the position of the federal government on these various matters, particularly with regard to shared-cost programs such as the Canada Assistance Plan, has been made known in our papers to former constitutional conferences, and we continue to take that position.

Mr. Stanfield: Has the federal government proposed, in the course of the conference now being held between the Minister of National Health and Welfare and the corresponding provincial ministers, any increase in the contribution of the federal government under the Canada Assistance Plan and, if so, what increase?

Mr. Trudeau: I am being prompted, but I am afraid—

Mr. Bell: Watch it!

Mr. Trudeau: Yes, I will watch it. Thank you very much.

Mr. Bell: Watch the source.

Mr. Hees: Don't get all fuddle-duddle.

Mr. Stanfield: Mr. Speaker, I think this is a question of great importance to the members of the House and I would ask the Prime Minister not to be too sensitive but to try to give us an answer.

AIDE-MEMOIRE PRESENTED TO CONFERENCE OF WELFARE MINISTERS

Mr. David Lewis (York South): Mr. Speaker, may I ask the Prime Minister whether the Minister of National Health and Welfare presented an aide-memoire or a memorandum to the conference of health ministers which began yesterday, and whether such aide-memoire was a statement of government policy?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the answer to both questions is yes. It has been presented with the authority of the government though we do not know what agreement will flow from it. It has been made quite clear by the minister that any suggestions along the lines of the aide-memoire or along lines that might be of interest to the Leader of the Opposition were conditional upon agreement on the over-all package that we will be discussing in Victoria.

Mr. Lewis: Mr. Speaker, this matter is of interest to the Leader of the Opposition but it is also of interest to the people of Canada and to all members of the House. Would the Prime Minister undertake to table or to have the Minister of National Health table the aide-memoire and in the meantime inform the House of the proposals that the federal government made to the provincial ministers in relation to sharing under the Canada Assistance Plan, to use its formal name, and would he also inform the House whether the question of a guaranteed annual income will be a federal or provincial matter?

Mr. Trudeau: Mr. Speaker, I cannot undertake to table such aide-memoire because agreement was reached between the provinces and the federal government that neither side would make public documents relating to the

conference which is now going on. We have exchanged points of view. They are conditional upon reaching a further and final agreement in Victoria. There has been no unconditional suggestion for change by the federal government nor, as far as I know, by any of the provincial governments. Therefore these documents are purely for purposes of discussion. They do represent the position of the government of Canada if agreement is reached. As I say, they are not unconditional suggestions for change by the government of Canada, and therefore it would not be in the public interest to put them forth as such.

Mr. Lewis: In view of the crucial importance of all these discussions not only to those who happen to be leaders of governments at this time but to all the people of Canada and to future generations, would the Prime Minister undertake at some point to inform Parliament and the people of Canada as to the suggestions made and accepted or rejected, so that we may fully understand the discussions that are taking place?

Mr. Trudeau: Yes, Mr. Speaker, at a point following the Victoria conference.

Mr. Stanfield: A further supplementary question, Mr. Speaker. I should like to ask the Prime Minister whether he can justify operating in such an aura of secrecy in matters of such importance to the people?

Mr. Speaker: Order. I suggest to the hon. member that this is argument.

[*Traduction*]

TRANSFER TO PROVINCES OF JURISDICTION OVER SOCIAL SERVICES

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a question for the Prime Minister.

Considering the different views held by the Quebec Health Minister on the powers of the provinces with regard to social services, would the Prime Minister tell the House if the responsible federal minister, who is presently taking part in the conference, has been authorized by the government to negotiate the transfer to Quebec of some jurisdiction over social services, and if that province was assured that it would get fiscal equivalence?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, according to the federal government, the conference now in progress is not a constitutional conference but one where the health ministers are trying to improve the general situation of the people of Canada within the framework of their respective social legislation.

I know that Quebec as well as other provinces have submitted some proposals. Furthermore, as I said in reply to a previous question, the Minister of National Health and Welfare is mainly involved in expounding the position of the federal government, which is derived from proposals included in the white paper which the minister tabled a few months ago.

As regards constitutional matters, I hope they will be decided upon in Victoria, but we do not intend to settle them at the conference now under way.

[*English*]

MANITOBA SUGGESTION THAT FEDERAL GOVERNMENT'S SHARE UNDER CANADA ASSISTANCE PLAN BE INCREASED

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I ask the Prime Minister whether the government is giving consideration to the suggestion made by Manitoba, as reported in the press, that the federal government's share under the Canada Assistance Plan be increased to 65 per cent?

Right Hon. P. E. Trudeau (Prime Minister): I am sure we will consider all suggestions made by any province, Mr. Speaker, but I cannot say more than that. This particular suggestion has not been made by the federal minister to the cabinet. Therefore he is not authorized to agree to it.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a supplementary question to the Prime Minister.

Since the ministers which are now gathered in Ottawa are discussing the problem of social security or social services, I would like to ask him whether a report on this meeting will be tabled at the conference of first ministers which will be held in Victoria next week?

Right Hon. P. E. Trudeau (Prime Minister): Yes, Mr. Speaker. The conference which began yesterday and will continue today has been convened following the suggestion of the first ministers who thought in February that the conference should be held and that indeed a report be submitted to the Victoria conference. This report will be presented next week.

[*English*]

Mr. Speaker: Order, please. I suggest to the House that perhaps we might set aside the additional supplementary questions a number of hon. members want to ask and go on to the next subject.

* * *

ENERGY

PANARCTIC NATURAL GAS DISCOVERY—AREA FARM-OUT AGREEMENTS WITH OIL COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development. In view of the fact that Panarctic Oils, of which the federal government owns 45 per cent, is now in possession of one of the most important gas finds on the North American continent, may I ask him whether any of the Panarctic area has been farmed out to the Imperial Oil Company and are

any other companies being granted farm-out agreements by Panarctic Oil?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, in the normal course of business, it is customary for agreements to be reached with other companies whereby research projects are farmed out to them by contract. That is the kind of agreement Panarctic Oils Limited entered into with Imperial Oil Limited a few weeks ago.

[*English*]

Mr. Douglas: Mr. Speaker, in view of the fact there are some 600 million acres in the Arctic and only 55 million are under the control of Panarctic Oils, may I ask the minister why it is necessary to farm out any of that comparatively small area in relation to the total?

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but it seems to me he might appreciate, with me, that asking the minister why it is necessary to take such and such an action involves a question which is essentially argumentative. The hon. member might like to ask the question in other terms.

Mr. Douglas: In addition to the farm-out to the Imperial Oil Company, is it the intention of the government to allow farm-outs to other companies and, if so, to what extent is the area now controlled by Panarctic going to be alienated?

[*Translation*]

Mr. Chrétien: Mr. Speaker, these decisions are made by Panarctic Oils Limited and not by the government, and as I said a few moments ago, it is a practice of the oil industry to subcontract the exploration of oil in certain areas. I must tell the hon. member that most Arctic islands are controlled by Panarctic Oils Limited. I do not believe that concluding such contracts with some companies will be detrimental to Panarctic.

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INQUIRY OF THE MINISTRY

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I would like to ask a very serious question to the Prime Minister.

I note that the former Minister of Communications has been given a seat at this end to the House. Is this to bring him closer to the Social Credit theories?

* * *

[*English*]

TRANSPORT

FERRY RATE INCREASES IMPOSED BY CANADIAN NATIONAL RAILWAYS IN MARITIMES—GOVERNMENT ACTION

Mr. James A. McGrath (St. John's East): Mr. Speaker, I should like to direct a question to the Minister of Transport. What action has he taken with regard to the outrageous increases announced by Canadian National Railways in his absence with regard to the CNR ferries operating between Newfoundland and the mainland and Prince Edward Island and the mainland?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, immediately on my return last night I issued instructions that the schedule was to be withdrawn in the case of the Newfoundland and Prince Edward Island services. The rate increases to which I have agreed will not exceed $1 per adult, $2 per automobile and $1 per berth on the Newfoundland service and not more than 15 cents per passenger or 50 cents per car on the Prince Edward Island service.

Mr. McGrath: Mr. Speaker, may I ask the minister if he can assure the House that no further arbitrary increases will be announced by Canadian National or approved by the government without first consulting with the two provinces?

Mr. Jamieson: Yes, Mr. Speaker. In fact I am examining now the possibility of finding some mechanism through which such rate increases in the future can be submitted perhaps to the Canadian Transport Commission or some other agency so there can be an assessment of them in advance.

WOOD ISLAND-CARIBOU FERRY SERVICE—ACTION RESPECTING INCREASE IN RATES

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I should like to ask the Minister of Transport what action he proposes to take with regard to the doubling of the rates on the Wood Island-Caribou service, operated by Northumberland Ferries, because of the reduction in the subsidy by the federal government?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, it was not a reduction of subsidy. The subsidy figure is likely to be as high or higher than in the past. It was in an effort to prevent an increase in the subsidy. As the hon. member knows, the Canadian Transport Commission, unlike the Borden-Tormentine service, has authority in the case of the Wood Island service. I communicated with the chairman of the CTC this morning to advise him of the action that had been taken with regard to the ferries coming under my authority and he has indicated that his water commission will be meeting today to discuss what steps they might take.

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AGRICULTURE

SUGGESTED EGG BUYING PROGRAM BECAUSE OF DEPRESSED PRICES

Mr. R. E. McKinley (Huron): Mr. Speaker, my question is for the Minister of Agriculture. In view of the extremely depressed prices being received by egg producers, particularly in the provinces of Ontario and

Manitoba, I wonder whether the government would immediately initiate an egg buying program under the farm products act?

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, we have initiated a program of this kind and it is hoped to have the call for tenders ready this week.

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CONSUMER AFFAIRS

OIL COMPANY PRICE INCREASES—GOVERNMENT ACTION TO REQUIRE COMPLIANCE WITH RESTRAINTS

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs which I asked yesterday of the Prime Minister who said he would take it as notice and that the minister would reply today. In view of the report handed to the government some time ago by the Prices and Income Commission to the effect that four major Canadian oil companies are in violation of the government's price restraint program, is it the intention of the government to take steps in the near future to require these companies to comply with these price restraints?

Hon. Ron Basford (Minister of Consumer and Corporate Affairs): Mr. Speaker, the report dealt with violations of the pricing criteria for 1970 and, as I indicated in the House the other day, we are examining a number of alternatives in light of the commission's report. I may say to the hon. member that it is somewhat difficult, of course, as I have explained, to deal with policies in respect of only four oil companies rather than the industry as a whole.

Mr. Hees: I have a supplementary, Mr. Speaker. I have asked the minister if the government is planning to take steps to require these four companies to comply with the government's restraint program—yes or no?

Mr. Basford: Mr. Speaker, the report to which the hon. member refers related to 1970, not 1971, and so the question he puts is not entirely in order. We are endeavouring, however, to see, in light of the report, what could be and should be done. If there is an announcement it will, of course, be made in the usual way.

Mr. Hees: Mr. Speaker, is it not apparent from the minister's answer why the minister has become the worst minister in the government within a very short space of time?

Mr. Speaker: Order, please.

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SHIPPING

ACTION TO IMPLEMENT REPORT ON COASTING TRADE

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Minister of Transport. In view of the urgent need for immediate and long-term opportunities for employment by Canadian seamen, can the minister tell the House what government action we can expect to flow from the recommendations of the Darling commission on the coasting trade?

Hon. Donald C. Jamieson (Minister of Transport): Mr. Speaker, I answered a somewhat similar question the other day. The tabling of the report and the publicizing of it were designed to generate as much comment as possible from interested parties. I think it is fair to give a reasonable length of time so that the various interests can make their views known on the report. Just as soon as we have these views, government policy will be formulated along these lines. I would hesitate to give a time frame, but perhaps by the autumn of this year might be a reasonable expectation.

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FINANCE

SOFT LOANS TO THIRD WORLD COUNTRIES—EFFECT OF DELAY IN PASSAGE OF UNITED STATES FOREIGN AID BILL ON CANADIAN PLEDGE

Mr. P. M. Mahoney (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I would like to reply to the question raised last Friday by the hon. member for Fundy-Royal relating to the financing of the International Development Association. The government is aware of the delay being encountered by the United States administration in obtaining Congressional approval for its contribution to the third replenishment. This may have the unfortunate consequence that the agreement will not become effective on July 1, 1971 as originally envisaged. In order to avoid an interruption in IDA lending activity, the Minister of Finance has informed Mr. McNamara that Canada would be prepared to make available its first payment of $50 million in United States funds in November, 1971, even if the agreement is not yet in effect. This offer is contingent upon parliamentary approval of the estimates now before the House. The government has expressed its expectation that a number of other donor countries would follow Canada's initiative in this matter.

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AIRPORTS

PROGRESS OF PLANNING FOR NEW TORONTO INTERNATIONAL AIRPORT—COST-SHARING ARRANGEMENTS WITH PROVINCES

Mr. H. W. Danforth (Kent-Essex): Mr. Speaker, I should like to direct a question to the Minister of Transport. In view of the understandable concern in Ontario that there may be some undue delay in respect of the development of the new international airport at Toronto, can the minister say whether the progress of planning is normal and satisfactory or indicate if there is any reason for the delay?

Inquiries of the Ministry

Hon. Donald C. Jamieson (Minister of Transport): I think the reason for the delay, as I attempted to explain in the House on several previous occasions, is the complexity of the negotiations with the province of Ontario. I do not say that in any critical sense. There is a great deal of data and documentation to be studied. I would hope that within a week or ten days I can meet with the responsible minister in Ontario to determine what areas are still uncertain in his mind with regard to federal participation and that we can move ahead from that point. I want to say categorically that there is no intention on the part of the government to retard in any way this particular development. It remains our determination and our intention to create in southwestern Ontario an additional airport facility at the earliest possible time.

Mr. A. D. Hales (Wellington): Mr. Speaker, may I ask the Minister of Transport whether he has offered the Ontario officials the same cost-sharing arrangements that were offered the province of Quebec with respect to the new airport at Ste. Scholastique?

Mr. Jamieson: Mr. Speaker, the question, with respect, is hypothetical at the moment. I have indicated we are prepared to talk about participation at the federal and provincial level, that is, what input each would provide, but before that kind of discussion can be meaningful it is necessary to know the particular site that is to be employed because the costs will be determined largely by the site. I have communicated this to the province of Ontario and I will reinforce it in meetings within a week or so, I hope.

Mr. Donald MacInnis (Cape Breton-East Richmond): Mr. Speaker, I have a supplementary for the Minister of Transport. Has the minister studied the remarks made by the Prime Minister with regard to the potential airport that is to be built?

Mr. Jamieson: Yes, I have. I concur with what the Prime Minister has said in this regard in that if there is delay beyond 1975 there is no question that it will have an effect upon the division of air traffic within Canada, but I am confident we can meet that obective because it is our intention to keep Toronto a very important part of the aviation complex.

Mr. MacInnis: Mr. Speaker, I have a further supplementary for the Minister of Transport. In saying that he agrees with the Prime Minister does he realize that puts him in the hole with the Prime Minister?

Mr. Speaker: Order, please.

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FINANCE

FARM IMPROVEMENT LOANS—EXTENT OF DEFAULTS AND SEIZURES

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, may I direct a question to the Parliamentary Secretary to the Minister of Finance. In view of reports of pressure on farmers, particularly in western Canada, by the banks for payment for farm improvement loans where the security is a lien on the machinery purchased, would the minister inform the House whether he has inquired of the banks concerning the extent to which default has occurred on the part of farmers and seizures made by the banks, or how many of these loans have been transferred by the banks into other loan categories?

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am afraid I will have to take that question as notice.

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[*Translation*]

INDUSTRY

CHEMCELL LIMITED—MEASURES TO PREVENT CLOSING OF MONTMAGNY PLANT

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to ask a question of the Minister of Industry, Trade and Commerce.

Could the minister tell the House whether Mr. Malone, president of Chemcell Limited, has informed him of the project for closing this company's plant in Montmagny during the next few months?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, my department is aware of this proposed closing of the plant. We discussed it with Chemcell to try and find a solution, unfortunately without success. I want to point out that we are now examining the possibility of assisting workers affected by the closing, under the textile products act passed recently by this House.

Mr. Speaker: Does the hon. member for Bellechasse wish to ask a supplementary question?

Mr. Lambert (Bellechasse): Yes, Mr. Speaker.

Yesterday, the Minister of Regional Economic Expansion, in his answer to this House, asserted that this company had not filed any application with the Minister of Industry, Trade and Commerce for a grant to modernize its plant or make some improvements needed to stay in operation.

Mr. Pepin: I am aware of that, Mr. Speaker, and the Minister of Regional Economic Expansion was absolutely right. We have here a kind of rationalization decided upon by the company with the hope of remaining competitive on both the domestic and the international levels.

* * *

[*English*]

TRANSPORT

APPLICATION FOR RAILWAY PASSENGER SERVICE ABANDONMENT AS PREREQUISITE TO REQUEST FOR SUBSIDY —SUGGESTED AMENDMENT OF STATUTE

Mr. Charles H. Thomas (Moncton): I have a question for the Minister of Transport. Since the present legisla-

tion requiring the railways to first apply for abandonment of passenger service as a prerequisite to a subsidy application is causing needless anxiety and concern to the Canadian public, has the minister given any consideration to amending the legislation to allow the railways to apply for a subsidy without going through the presently required ridiculous procedure?

Hon. Donald C. Jamieson (Minister of Transport): No, Mr. Speaker, not on that particular point because, without getting argumentative about it, I am not sure how you could determine the size of the subsidy or whether or not it was warranted without having a hearing. But I will be glad to examine the matter.

Mr. Thomas (Moncton): Since the minister has already indicated in reply to a previous question that he is studying ways of reviewing freight rate increases before they are put into effect, does this mean that there might be some important changes in the National Transportation Act coming before the House soon?

Mr. Jamieson: I do not anticipate that it will be soon, Mr. Speaker.

INTENTION OF CANADIAN NATIONAL RAILWAYS TO DISCONTINUE OTTAWA-TORONTO PASSENGER TRAIN SERVICE

Hon. George Hees (Prince Edward-Hastings): I have a supplementary question, Mr. Speaker.

Mr. Speaker: Order, please. I merely want to point out to the hon. member and to all hon. members that we will be running short of time and we should try for the next few minutes to limit supplementary questions as much as possible. But the Chair has recognized the hon. member for Prince Edward-Hastings.

Mr. Hees: With regard to the application of Canadian National Railways to cut off passenger service between Ottawa and Toronto, would the minister advise the management of the CNR that that railway exists to serve the Canadian public and that it is not in the public interest—

Mr. Speaker: Order, please.

Mr. Hees: —to cut off the passenger service between the capital and one of the two largest cities in Canada?

Mr. Speaker: Order, please. That is not a question but a submission. The hon. member has to assume that it will be taken into account. We have to go on to the next subject.

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PENITENTIARIES

REQUEST FOR STATEMENT ON SHORT TERM POLICIES RESPECTING REFORMS

Mr. John Gilbert (Broadview): My question is directed to the Solicitor General but before doing so I should like to commend the minister for doing away with the numbering—

Mr. Speaker: Order, please. The hon. member should ask his question.

Mr. Gilbert: I will, but I would first like to suggest that he should be commended for doing away with the numbering of prisoners' garb in penitentiaries. It indicates that he is not attempting to treat the prisoners—

Mr. Speaker: Order, please. The hon. member for Hillsborough.

[*Later:*]

I believe the hon. member for Broadview had a supplementary statement to make to the House.

Mr. Gilbert: I will put my question now. In view of the progressive measure which the minister has taken with regard to prisoners in penitentiaries, would he make a statement on motions in the next week setting forth his short-term policies concerning reforms in penitentiaries to ease the tensions that prevail in these institutions?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, we will announce from time to time the reforms we propose to make.

As to the basic changes, I think that the hon. member should wait a little so that we may gather our ideas and we will announce them in due course.

* * *

[*English*]

TRANSPORT

WOOD ISLAND-CARIBOU FERRY SERVICE—INQUIRY AS TO INCREASE IN SUBSIDY

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the Minister of Transport, whose reply to my letter I appreciate very much. Is he giving consideration to taking appropriate action to increase the subsidy on the Wood Island-Cariboo run, where it has been obviously demonstrated that an increase is needed?

Hon. Donald C. Jamieson (Minister of Transport): As I mentioned earlier, this service is subsidized through the Canadian Transport Commission. They are meeting on it today. I dare not anticipate what they might do, but they know what I did on the other run.

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EXTERNAL AFFAIRS

UKRAINIAN NATIONALISM—RESULT OF MEETING BETWEEN PRIME MINISTER AND REPRESENTATIVES OF UKRAINIAN-CANADIAN COMMITTEE

Mr. Allen B. Sulatycky (Rocky Mountain): I should like to direct a question to the right hon. Prime Minister. I wonder whether the Prime Minister could indicate whether his meeting with the executive of the Ukrainian-Canadian Committee yesterday resulted in any common understanding?

Inquiries of the Ministry

Mr. Hees: If you conned them into believing what you were trying to tell them.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, contrary to the hon. member for Prince Edward-Hastings, I think these people are of high intelligence, and we agree.

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URBAN AFFAIRS

TORONTO—DEVELOPMENT OF CNR-CPR METRO CENTRE COMPLEX—EFFORT OF ONTARIO DECISION TO STOP CONSTRUCTION OF SPADINA EXPRESSWAY

Mr. S. Perry Ryan (Spadina): My question is for the Minister of Transport. Will the decision of the Ontario government to stop construction on the Spadina Expressway hamper or prevent the development of the CNR-CPR complex known as the $200 million Metro Centre in Toronto?

Hon. Donald C. Jamieson (Minister of Transport): I am afraid that is much too technical a question for me to answer immediately. I will be glad to look into it. I might add that the decision which was made by myself, along with Mr. Campbell of Metro Toronto and the provincial government, with regard to the commuter railway study apparently becomes considerably more important now, and we will speed up that study in light of what has happened.

Mr. Ryan: Will the minister try to let us have an answer to my question shortly?

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GOVERNMENT ADMINISTRATION

USE OF SPECIAL ACCOUNTS TO CARRY OVER UNUSED FUNDS TO BE SPENT IN FUTURE YEARS

Mr. Lloyd R. Crouse (South Shore): I wish to direct my question to the President of the Treasury Board. In light of the Auditor General's concern that special accounts for funds to be held over for spending in future years severely weaken Parliament's surveillance over public expenditures, is the government going to stop using and creating such special accounts?

Hon. C. M. Drury (President of the Treasury Board): I would expect, and indeed I hope, that this particular issue would be thoroughly discussed in the Public Accounts Committee.

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THE CENSUS

COMPLETION OF LONG QUESTIONNAIRE BY PERSONS IN OLD PEOPLE'S HOMES

Hon. J. A. MacLean (Malpeque): I should like to address a question to the Minister of Industry, Trade and Commerce. Are the census authorities still insisting that persons in old people's homes and occupants of other institutions of that sort complete the long census forms and send them in, or is the short form being accepted in lieu thereof in those situations?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I do not know how the census could be valid unless the proper procedure is followed. The sample method can only produce good results if it is properly implemented. It would make it impossible for proper statistics to be compiled if people were to exchange long and short census forms or if people refused to answer the long questionnaire but agreed to answer the short one. I do not think the system would work if this were done.

REPORTED REFUSAL OF WINNIPEG ENUMERATORS TO SEND IN FORMS BECAUSE OF INADEQUATE PAY

Mr. A. D. Hales (Wellington): I have a supplementary question, Mr. Speaker. In view of the eleven o'clock CBC broadcast this morning on which we were told that Winnipeg census enumerators have refused to turn in the census forms because they feel that the pay they are receiving is inadequate, what steps does the minister propose to take?

Hon. Jean-Luc Pepin (Minister of Industries, Trade and Commerce): I was in the House at eleven o'clock so I could not listen to the news program. I will have the information checked. If it happens to be true, I will express the greatest resentment because these people were quite well acquainted, before accepting the work, with the salary which they would receive. Their action would be most unwelcome in view of the importance of the documents that they are now holding in their hands, if this news item is true.

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EXTERNAL AFFAIRS

PROPOSAL BY SOVIET UNION TO BAN ARMS ON THE MOON

Mr. Barry Mather (Surrey-White Rock): I have a question for the right hon. Prime Minister. Having in mind the proposal made today by the U.S.S.R. through the United Nations calling for a world agreement to ban world arms from the moon, can the Prime Minister say whether the government will give consideration to supporting this proposal at the United Nations?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, as the House knows, Canada has been extremely active in the establishment of agreements barring armaments from outer space and from the seabed. I am sure that through our representative in New York, Ambassador Beaulne, and our representative in Geneva, Ambassador Ignatieff, Canada will again participate actively in reaching agreement on such a subject if indeed it has been brought forward.

Hon. J. A. MacLean (Malpeque): Mr. Speaker, is the Prime Minister not aware that the question is a hypothetical one because the moon is full this week?

POLLUTION

POSSIBILITY OF SHUTDOWN OF E. B. EDDY PLANT

Mr. Thomas M. Bell (Saint John-Lancaster): I should like to ask the Minister of Fisheries and Forestry if he will be involved in any way in the E. B. Eddy shutdown and, if so, in what way?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I do not believe there will be a shutdown of the E. B. Eddy plant.

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HARBOURS

HALIFAX—PROVISION OF ADDITIONAL CONTAINER FREIGHT FACILITIES

Mr. Robert McCleave (Halifax-East Hants): Mr. Speaker, mercifully my question does not involve stamping out moonshine. It is directed to the Minister of Transport. In view of the possible need for more container facilities in Halifax-Dartmouth, can the minister advise whether this matter is under study by the National Harbours Board?

Hon. Donald C. Jamieson (Minister of Transport): Yes, Mr. Speaker, the whole question of future development in Halifax is under constant study, and I might say that quite a few advances have already been introduced.

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FISHERIES

CANADIAN PROPOSALS TO ICNAF NATIONS CONCERNING QUOTAS

Mr. Louis-Roland Comeau (South Western Nova): I have a question for the Minister of Fisheries and Forestry. In view of the recent ICNAF meeting I should like to ask the minister whether Canada has made any proposals to the ICNAF nations concerning quota systems? Would the minister advise the House what the plans of his department are in this respect and, if possible, table the proposals?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, Canada made a number of proposals at the recent ICNAF meeting in Halifax. I gather that this matter will be discussed at length this afternoon in the Standing Committee on Fisheries and Forestry. If the hon. member wishes to attend he can get answers to many questions in detail.

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PUBLIC SERVICE

PROVISION OF NATIONAL SALARY SCALE FOR NURSES

Mrs. Grace MacInnis (Vancouver-Kingsway): I should like to address a question to the President of the Treasury Board. In view of the fact that the federal government has not adopted a national salary scale for nurses, although it has done so for every other profession, and in view of the fact that some nurses with families to support have had to ask for welfare assistance, will the government reconsider its policy with a view to removing the discrimination against these employees in a profession largely female in content?

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Hon. C. M. Drury (President of the Treasury Board): Mr. Speaker, in commenting on the question let me say that the federal government is active in trying to eliminate discrimination against females in any place it can be found. I cannot accept the premise of the hon. member that the federal government has brought about or imposed a national standard covering all other professions.

Mrs. MacInnis: Will the government indicate its willingness to reconsider this policy in time to avoid this matter going to arbitration and thus restore the confidence of the 2,200 nurses in the federal public service?

Mr. Drury: Mr. Speaker, I think the hon. member is asking me to acknowledge that the technique of the bargaining process, including the arbitration element, is unsatisfactory and that we are prepared to shortcircuit it. As the hon. member knows, I have a continued objection to negotiating in this way across the floor of the House.

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[*Translation*]

PUBLIC BUILDINGS

OTTAWA—NATIONAL ARTS CENTRE—FINAL ACCEPTANCE OF CONSTRUCTION WORK

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a question to the Minister of Public Works.

The National Arts Centre seems to have been completed for a few months now. Can the minister tell us if final acceptance of this building has been given? If not, can he tell us what is the reason for the delay?

Mr. Speaker: It seems to me this question could be put on the order paper. If there is any urgency, the hon. member could suggest to the Chair that the question be debated at the time of adjournment.

* * *

[*English*]

NATIONAL DEFENCE

STUDENT MILITIA TRAINING PROGRAM QUOTAS

Mr. Jack Marshall (Humber-St. George's-St. Barbe): I have a question for the Minister of National Defence. Last Friday the minister took as notice a question I placed before him with regard to the student militia and civilian program and the fulfilment of the quotas. Does the minister have the answer now?

Inquiries of the Ministry

Hon. Donald S. Macdonald (Minister of National Defence): Yes, Mr. Speaker. I find on checking that the quotas have been filled as follows: a total of 6,000 in student militia training; in the naval reserve, 900; first year 3,250, second year 1,850—that is in militia training. I should explain that last year's militia program was 7,850 and not 5,000 as mentioned by the hon. member. The total this year is 8,000, combining 6,000 in militia training and 2,000 civilian leadership candidates. The total program in armouries is limited to 4,150 as compared with over 7,000 last year. The remainder of the programs will be conducted in combat group training areas. I hope this is the information sought by the hon. member.

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AGRICULTURE

FARM MACHINERY—REQUEST FOR STATEMENT ON IMPLEMENTATION OF BARBER COMMISSION RECOMMENDATIONS

Mr. Jack Murta (Lisgar): My question is directed to the Minister of Agriculture. In view of the fact that the report of the Barber Commission was tabled several weeks ago, will the minister state when we can expect some statement from the government on whether it intends to act on any of the recommendations of the report?

Hon. H. A. Olson (Minister of Agriculture): I think there will be statements form time to time, Mr. Speaker, but I should remind the hon. member that a great deal of action has been taken on some of the recommendations in an earlier report.

FARM MACHINERY—RESULTS OF ACTION ON BARBER COMMISSION RECOMMENDATIONS

Mr. Paul Yewchuk (Athabasca): I have a supplementary question for the Minister of Agriculture. Would the minister in a statement to the House indicate whether any significant results have been achieved as the result of the actions he has taken?

Hon. H. A. Olson (Minister of Agriculture): Yes, Mr. Speaker. I think there is a very significant additional competitive factor in the sale of farm machinery in Canada that did not exist prior to—

[*Translation*]

Mr. Speaker: Order. I said at the beginning of the question period that I would allow the hon. member for Joliette to ask one supplementary question to the one he had asked earlier. I now invite him to do so.

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CONSTITUTIONAL CONFERENCE

DISCUSSION OF AMENDING FORMULA

Mr. Roch La Salle (Joliette): Mr. Speaker, I want to direct my question to my favourite member, that is the Prime Minister.

[Mr. Marshall.]

Regarding the Victoria Conference, I should like to ask the Prime Minister whether he can assure us that the amending formula will be discussed only after the negotiations about provincial powers are completed?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker. I tabled the agenda yesterday, and unless the provinces should want to modify it, it will remain as it is, that is to say that first the Constitution, and then social security will be discussed. But I think that it was agreed that no final decision will be taken on any item on the agenda before it has been discussed as a whole. And the federal government does not intend to exhaust an item and to exclude any possibility of bringing it up again.

[*English*]

Mr. Speaker: Orders of the day.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I rise on a point of order with respect to the order about to be called. When the special order for today was passed it was provided that this debate would be interrupted at six o'clock and the vote, if one is called, would be taken at that time. That is 15 minutes later than would be the case under the ordinary rules and it would cut into the dinner hour. There is also the fact that we will have more votes at eight o'clock. I think you will find there is agreement among the four parties that the debate today be interrupted at 5.45 p.m. so that with a 15-minute ringing of the bell the vote can be taken promptly at six o'clock.

While I am on my feet may I say that we are not suggesting any change in the order so far as time limits on speeches are concerned but we do suggest that no one ask for overtime.

Mr. MacLean: The suggestions of the hon. member are acceptable to the official opposition, Mr. Speaker.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Speaker: It is so ordered.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 58—NON-CONFIDENCE MOTION—GOVERNMENT AGRICULTURAL POLICIES—IMMEDIATE PAYMENT OF $100 MILLION TO WESTERN FARMERS

Mr. David Lewis (York South) moved:

That this House condemns the agricultural policies of the government which have severely reduced the income of western farmers and threaten the future of Canada's entire rural community, and, in view of the financial crisis of western farmers, calls on the government to consider the advisability of an immediate payout to them of a minimum of $100 million without conditions and in addition to other farm assistance programs.

• (12 noon)

He said: Mr. Speaker, we have placed this motion before the House at this time because my party believes that it is essential to take careful stock of government agricultural policies which are developing clearly in the direction of depopulating Canadian rural communities within the next number of years. We have placed it on the order paper, Mr. Speaker, because we believe that this policy carries with it fateful consequences not only for the entire farming population of Canada but also for all of Canadian society. I also believe, and I say this frankly, Mr. Speaker, that the discussion of this subject and a vote on the motion may be necessary at this time because of the provincial election in the province of Saskatchewan. The electors in that province have the right to know clearly where each of the parties in this House stands on the issue raised in the motion I have had the honour of moving.

The subject placed before the House is also urgent for another reason. It is urgent because of the financial crisis in which western farmers now find themselves, and there is an urgent need for an immediate injection of large amounts of cash into the prairie grain economy.

As hon. members know, farm organizations such as the Canadian Federation of Agriculture, the National Farmers Union and other spokesmen for the farmers have insisted that the minimum amount required to enable western grain growers to get out of their financial difficulties is at least $250 million. My reading of the statistics relating to the plight of western farmers suggests, even though I do not claim to be a farm expert, that the demand for a $250 million injection is fully justified. In my motion I have limited the amount to $100 million because that seems to be the amount which the government is ready to make available to western grain farmers. It is ready to make that amount available, however, only through a form of blackmail directed at the western farmer and western farm organizations. The government has attached this pay-out of $100 million to another kind of policy, its policy, so-called, of stabilizing the farming industry. That is a policy which farmers oppose and the details of which as presented by the government every farm organization opposes.

I make no bones about the fact that this motion is related to the provincial election in Saskatchewan. I say that before someone else says it. It is necessary for hon. members to see whether the Liberal members of this House are prepared to vote for or are determined to vote against the demand that $100 million be paid out immediately, without condition and without the loss of any other farm assistance programs.

I have studied over the last little while, and since assuming my new responsibilities in my party I have done it to a greater extent than I did before, the various aspects of farm policy and the suggestions for agricultural policy that have been made to the country in the last few years. If you put together the Lift program of last year, the report of the task force on agriculture, some statements made by the minister in charge of the Wheat Board and other statements issued by the Department of Agriculture and spokesmen for the minister in charge of the Wheat Board, as well as the legislation presently before the House, it seems to me that you can clearly discern a complex and composite of policies which are deliberately designed to induce farmers to leave their land, to hasten the demise of the independent Canadian farmer, to make farming the preserve of powerful corporations—in short, to tear the very heart from western Canada and to chase farmers into overcrowded and polluted urban centres. This, to us, appears to be sheer madness and shows the typical attitude of this government to every aspect of our economy. It is an attitude that is concerned purely about statistics and figures of growth and which to a large extent ignores the human beings involved in the policy and in the economic area concerned.

When you look at statistics showing what has happened to western grain farmers in the last few years and note their starkness, you will see that they are truly distressing and shattering. Calculations have been made showing that in 1970 the total, net realized income from farming operations of more than 180,000 farmers across the Prairies was $174 million, less than $1,000 per farm. This is a decline of $700 million from 1969 and of $830 million from 1968.

The government of the province of Manitoba has calculated that the net, realized income from some 40,000 farms in the province was $31 million in 1970, which represents a net income per farm in that area of only about $800. Studies show that you must go back to the depression and drought year of 1936 to find comparable net farm incomes. That was the situation in what everyone agrees was a year of considerable growth, although accompanied by considerable unemployment in this country.

If you look at Saskatchewan, the same situation is revealed. The net realized income of all farmers in Saskatchewan, and there are about 75,000, was $200 million in 1970. In the five years 1963 to 1967 that income averaged $435 million. These figures were presented by the Canadian Federation of Agriculture in its brief to the government some time ago. In 1970, in other words, the net income of farmers was less than half their average income in the five-year period 1963 to 1967. The Canadian Federation of Agriculture added in its brief that if you deduct from this amount income in kind, which is included in the figures from which are calculated total income, the figure would change from $368 million to $131 million, and would become about one-third in 1970 of the average figure for the five years 1963-67.

The Canadian Federation of Agriculture went on to point out something we all know, that there is a considerable number of cattle-producing farms on the Prairies. The federation shows that if you allocate to livestock a quarter of the total of the net income, or $92 million, over the five-year period 1963-67, and the federation presents evidence showing that that is not an unreasonable assumption, the net income left for grain growers in the five years 1963-67 averaged $276 million. However, the figure relating to cattle raising and cattle producing on

the Prairies remained the same or was larger in 1970 than in the five-year period I have mentioned. If you allocate the sum of $92 million to livestock production in 1970, which is likely to be a conservative figure, you reduce the net from grain growing to about $40 million in Saskatchewan. That represents only about $500 per farm in that province in 1970.

As a rule, I am not given to citing statistics in speeches I make in the House or, indeed, outside the House because they are usually a little difficult to follow. I have done so this time and I will cite some other statistics. As a member who represents a central Canada constituency, is well acquainted with the urban centres in all parts of Canada and, I hope, acquainted with the farm communities across the country, I feel it is important for all the people of Canada to realize that the conditions of the western grain farmer in 1970 and, indeed, in 1969, have been really desperate.

• (12:10 p.m.)

As a group, grain growers have been operating at virtually a loss. They must survive on depreciation and using whatever farm produce they can for their families. The disastrous income position of the grains growers is one of the reasons for introducing this motion. I submit that it highlights the very real problem facing Canadian grain farmers and Canadian agriculture generally and the need for all members of this House, regardless from what part of Canada they may come, to pay careful attention to the future of this essential industry in Canada.

We who live in central Canada, including, for example, the workers in my constituency, all of metropolitan Toronto and Brantford, which is represented by the new member whom I had the honour to introduce this morning, are concerned about the widespread massive unemployment which this government has inflicted upon this country. We are concerned about the overcrowded and impossible living conditions in our large urban centres. But we must not be so self-concerned about our position in these centres as to ignore other areas.

As we in this party have always suggested, we must begin to realize that the western farmers, the western grain growers in paticular, are in precisely the same kind of desperate situation as the unemployed workers in the cities. For literally 35 years, as a member of this party, and with the honour of now being its leader, I have said to the people of Canada than when there is an economic difficulty in this country it is never limited to either farmers or urban dwellers. It invariably hits both sections of the Canadian community just as severely.

This is one of the reasons why I cannot but deprecate deeply and feel very strongly distressed at the continuing attempts in this country—an attempt is now being made by the premier of Saskatchewan during the present provincial election campaign—to divide the farmer and the worker, to say to the farmer that the industrial worker is in some way his enemy and to say to the worker in the city that his high cost of living is due to what the farmer is getting for his produce. I say to the industrial workers in this country that this is not so.

The farmers in Canada have been receiving incomes that are all out of proportion to their efforts and investment. The increase in price which the farmer has received over the years has been minimal compared with the actual increase in price in the retail store which the industrial worker visits and where he spends a great deal of his money. Much of the increase in food prices has gone to the large packing corporations, the large processing corporations and the middle men along the way. In all areas of farming, only a little trickle has gone to the farmer.

The grain grower is in a difficult and desperate situation, as is the hog producer. When I visited Saskatchewan a couple a months ago, I was shown an actual invoice by a hog producer. For a 300-pound hog he received a net of $2.47. I think he received three cents per pound in that particular instance and after all the various deductions had been made he was left with $2.47.

I wish to emphasize that the point I am raising is not a matter only of agricultural policy nor a matter which concerns merely the farmers of Canada. It is a matter which concerns the entire Canadian society and impinges on the entire Canadian economy. I want the city folk of this country, including myself, all my friends in the unions, unorganized workers, the employed and the unemployed, to appreciate that the policies of the government have not been harmful only to the industrial workers. They have placed the Canadian farmers, the western grain farmers in particular, in a position every bit as desperate as that of the unemployed in this country. The government has been consistent in its mismanagement of Canada's economy, whether agricultural or industrial, whether in the east, centre or the west.

Some hon. Members: Hear, hear!

Mr. Lewis: If you look at the farm situation from the point of view of cost you get some understanding of what has happened. While the gross receipts and the net incomes of the farmers have been fluctuating, and have been steadily dropping in the past while, farm expenses have been rising at a steady pace. The cost of farm machinery has increased. The cost of farm labour has also increased as it should have. The costs of all the things that farmers use have been steadily rising. There is no reason to think that farm expenses will begin to decline because there is no reason to believe that the cost of anything in Canada is likely to decline. On the contrary, in over 200 years of history we have learned that there is a steady rise in prices in our kind of society.

The so-called stabilization plan, which the ministers concerned have introduced into the House and which is now before a committee of the House, makes no mention of the question of farm expenses. It makes no suggestion about the need to stabilize or in some way make up for the continuing increase in farm costs. In round figures, Mr. Speaker, farm expenses and depreciation charges relating to crop production on the Prairies rose from $500

million in 1950 to $1,300 million in 1970. Perhaps it will be a little more meaningful to state that in 20 years the cost rose from $8 per cultivated acre to $18 per cultivated acre, more than double the cost per acre.

The facts which this House must be concerned with are the desperate financial situation of the farmer, the continuing rise in farm costs, the everlasting squeeze in which the farmer finds himself as a result of the international market, and the continuing rise in farm expenses. I emphasize the fact that I do not pretend to be an expert in this area. However, over many years I have tried to understand it and perhaps do understand it to some extent at least.

The orientation of this government toward agriculture, as indicated by the various documents to which I have referred, is the same as the technocratic orientation of this government to every other sector of our economy. It is an orientation toward business consideration, an orientation toward the dollar, an orientation toward the balance of payments, an orientation toward exports. At no point is it an orientation toward farm people or toward the welfare and future of the rural communities of this country.

• (12:20 p.m.)

Everyone who has studied the matter at all is fully aware that there are in Canada some marginal and uneconomic farms which, possibly, can never be made viable. Their position requires special consideration. But these are not the farms, and they are certainly not exclusively the farms, toward which the Minister of Manpower and Immigration (Mr. Lang) in charge of the Wheat Board has directed his writings that I have read. He has directed it toward the entire agricultural economy. He has directed it toward the concept that very large farms integrated with choking agribusiness will be more efficient in terms of the dollar. That may well be so. But at what cost to Canada and to the rural communities in particular.

Without wanting to sound sentimental or maudlin, I say, as a city feller, that I believe, as I have always believed, that the rural life of Canada is an important and integral part of Canadian society. The rural communities are important to our welfare as a nation. What does the government want to do, I ask. It seems to me that what the government wants to do is rationalize western farming to the point of making them into factory farms run mostly by foreign-owned food corporations.

Mr. Lang: Nonsense!

Mr. Lewis: It is not nonsense. It is a fact. This is what the task force on agriculture means. It cannot mean anything else. If he wants to take two farmers out of every three off the land, that is the eventual effect of the policy upon which the hon. gentleman and the Minister of Agriculture (Mr. Olson) have now embarked; that will be the effect envisaged in the statements he has made and the writing he has produced and which I have read. They want to turn our rural communities into ghost towns. They want not only to throw farm folk off the land but to close up local stores and service industries, because that will be the result of the policies which are being pursued.

Mr. Lang: That is malicious nonsense.

Mr. Lewis: It is not malicious nonsense. It is the truth of what the minister is doing, and the arrogance of his denial is evidence of the fact that what I am saying is right.

Some hon. Members: Hear, hear!

Mr. Lewis: Every step the government has taken, every step the government has proposed, leads inevitably in that direction, whether or not they have had the courage to state it publicly. They have not, but it leads inevitably in that direction. What is at stake, therefore, is the welfare of farm families and the communities which serve their needs. What is at stake, briefly, is the rural lifestyle in our society, something which these technocrats opposite are determined to reduce to a factory assembly line. We believe this to be destructive of Canada's future.

One word, Mr. Speaker, about farm efficiency. Again I address myself to my own constituents, to the constituents of central Canada and those of industrial centres in the east and west.

When Canadians think of technological change or advance they think primarily of industries located in the urban centres and of the resource industries in the forests and underground. The fact is that technological development in the agricultural industry has been immense in the last number of years and the agricultural industry in Canada has for years shown the most dramatic productivity compared with other areas in our economy. For example, the rate of productivity increase for all commercial industries in this country has been estimated at about 3.5 per cent per year since the end of the war. The growth rate for productivity in agriculture during that time has been the highest in the country at about 5½ per cent per year. So no one has the right to talk disparagingly about farm efficiency because if there is one industry in this country which is increasing its productivity through technological change it is the agricultural industry. Farmers have learned modern farm management to an extent they have never done before. They have concentrated on maximum production and good farming such as impresses one every time one visits a farm community in this country.

So we have no right to question farm efficiency at this time. It is our duty to pay homage—not to every farmer, of course; there are exceptions in every sector of our society—to our farmers generally and particularly to the grain growers for the immense advance they have made in productivity, an advance which they have made possible frequently at the expense of mortgaging not only their own future but the future of their children and their grandchildren for years to come.

Some hon. Members: Hear, hear!

Suggested Payment to Western Farmers

Mr. Lewis: In such a situation, what is the problem? As I see it, the problem is not that there is no need for the food Canada produces. It is trite to remind members of this House that there are hundreds of millions of people round this globe who go hungry to bed every night of the year and who have an immense need for the grains and other food we produce.

The problems of Canadian farmers are, by and large, the same as those of farmers around the world. They derive from the vagaries of the weather and from the vagaries of the international market. They arise, in other words, out of circumstances over which the farmer and the farming community have no control whatever. This is why it is the duty of government and of Parliament to make sure that farmers receive the net income to which they are entitled.

Whenever we talk about assisting farmers everybody in the country, it seems to me, particularly in the urban centres, gets worried. Let me remind members of this House and the people of Canada that we do not bat an eyelid—certainly those technocrats across the aisle do not bat an eyelid—when the government makes available to large corporations, most of which are foreign-owned, an amount in the order of $1 billion annually. Yet when one asks for $250 million to help western Canadian farmers, the government reduces the amount to $100 million, whittles it down still further, and then attaches it to a form of blackmail which the government knows the Canadian farmer is unhappy with and finds unacceptable. We believe this is total nonsense. We believe a new approach must be taken by Parliament and the people. We believe the government should stop its present treatment of family farms in this country and assist young people to set up in farming should they wish to do so.

In my opinion the subject we have introduced today is of great importance not only to the agricultural industry and the farmers who engage in it but to Canadian society as a whole, both in its general aspect and the demand for an immediate pay-out, without conditions and without blackmail, for at last $100 million to the western grain growers.

• (12:30 p.m.)

Mr. Olson: Mr. Speaker, I do not wish at this point to participate in the debate but I should like to raise a point of order that I would ask you to take into account. It is related to whether or not we can have two debates on the same subject running concurrently before the House. I waited until the hon. member for York South had completed his remarks, but I should like to ascertain whether or not the $100 million and the conditions and so on that he talked about in his motion are the same as the $100 million and the alleged conditions contained in Bill C 244. I take it that is the intent of the motion.

If that is the case, then if we speak about the other points that were made with respect to the purpose of the motion, having a vote in the House on this $100 million, and indeed on the so-called conditions attached, before the election in Saskatchewan—though that is not important to my point of order—and we argue the reasons for the other parts of Bill C-244, then I suggest that we will be paralleling a debate on a subject that has been initiated in the House and is currently before a standing committee of the House for disposition and report back to the House. Therefore I find it difficult to respond to the wording of the motion unless we are allowed to trespass upon a matter that is already before the House in Bill C-244.

Mr. Lewis: On the point of order, Mr. Speaker, may I point out that the motion was very carefully drawn—I know that is the case because I participated in drawing it—so as to make clear that it was not to be a duplicate debate. We are asking for the immediate pay-out of a minimum of $100 million without conditions and in addition to other farm assistance programs. I point out that Bill C-244 not only proposes payment of $100 million but also proposes to eliminate from present assistance programs, if I remember correctly, the legislation dealing with storage payments and also—

Mr. Olson: Now you are duplicating the debate on that bill.

Mr. Lewis: —eliminate PFAA. It is proposed to eliminate certain farm assistance programs, and the $100 million provided in that bill is intended to take their place.

I suggest to the Minister of Agriculture that this does not impinge on the other legislation precisely because of the wording of the motion. I could take the time to indicate very briefly that, as I understand Bill C-244, the result of it would not be to pay out $100 million additional to the grain growers of western Canada but would result in the paying out of no more than $40 million or $50 million additional to these farmers. This motion very clearly calls for a pay-out of a minimum of $100 million.

The Minister of Agriculture may find it difficult to speak to the motion for a number of reasons. He may even have some conscience about the subject.

The Acting Speaker (Mr. Laniel): Order, please. Would the hon. member please resume his seat. The Chair is ready to hear comments on the point of order but it cannot allow hon. members to debate the position taken by other members; that can be done when we debate the motion. The remarks of hon. members should be related directly to the point of order.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I trust that the Minister of Agriculture will forgive me if I suggest that he was not entirely clear as to the point of order he was raising. Perhaps he was raising two points of order, and, if so, I should like to comment upon them. If he was raising a point of order as to the validity of the motion, then I suggest he is half an hour late. The Chair put the motion and no questions were asked at that time. I suggest that to question the validity of the motion at this point is hardly appropriate. On the other hand, if that is not his point of order and he is accepting the validity of the motion but is asking that hon. members speak to the motion rather than debate some other bill, then I think this is a hypothetical point that should be

raised if and when members transgress and speak about another bill instead of the motion.

In my view, the hon. member for York South was not doing this. If any member does so, then the minister can raise a point of order and object. I suggest that the Chair has already put the motion—I am now speaking about the first of what I think were two points of order—so it is before the House and therefore no point of order is appropriate at this time. If hypothetically hon. members do transgress and veer from the subject before the House, then it is up to the Chair at that time to ask members to speak to the motion before the House.

The Acting Speaker (Mr. Laniel): Is the minister rising on the point of order?

Mr. Lang: Yes, Mr. Speaker. The point raised by my colleague the Minister of Agriculture is very pertinent, particularly in view of the manner in which the leader of the New Democratic Party framed his remarks in dealing with the $100 million. The hon. member for York South suggested that his motion was very carefully drafted, and presumably he meant to have it both ways. On the one hand, he drafted the motion in terms that would allow it to be put; on the other hand, it was also drafted in terms that would allow him to discuss matters which, if they were actually put in the motion, would not have permitted debate. It is clear that the $100 million is exactly the same as the $100 million in the other bill in view of the fact that that pay-out would also be $100 million without conditions, unless of course we regard the manner of paying, the acreage base and so on, as conditions, which I submit would not be ordinarily construed to be such.

I submit that the two amounts are in effect the same and in that sense the motives for the motion were clouded. These motives have now been clarified by the hon. member in whose name the motion stands, and it seems to me that the defect relates back to the beginning.

Mr. Horner: Mr. Speaker, I should like to speak on the point of order that has been raised. I have followed the debate extensively on Bill C-244 and I was listening behind the curtain to a great deal of what the leader of the New Democratic Party said when he put this motion forward. I suggest there is a similarity. I should like to draw to Your Honour's attention the fact that the motion before the House condemns the agricultural policies of the government which have severely reduced the incomes of western farmers and threaten the future of the entire rural community in Canada.

This aspect is not dealt with in Bill C-244. At the present time discussions are going on between the Minister of Agriculture and the provincial Ministers of Agriculture regarding government action that would drastically reduce the farm population of Canada from 480,000 farmers to 150,000, which is the goal of the government. The minister's department has issued a 20-page document dealing with how that program can be achieved with the co-operation of the provinces.

This is the heart and soul of the motion before the House: Are we going to eliminate the farmers? If we do, will we also do away with the rural communities as we understand them? If this is the case, then can urban society as we now know it accept another 300,000 farmers who are untrained for other work, unprepared, and who do not want to live within an urban society? I repeat, this is the heart and soul of the motion. I suggest to the Minister of Agriculture that it is a very worthwhile motion and that the minister should take heart and listen to it.

The Acting Speaker (Mr. Laniel): Order, please. The Chair appreciates the remarks made by all hon. members on the point of order raised by the Minister of Agriculture. Some of the remarks bring us right to the problem itself, namely, that it is not permissible to allow speeches in one debate to relate to another piece of legislation already before the House or before a standing committee of the House. The Chair is also aware of that fact but, as mentioned by the hon. member for Winnipeg North Centre, the motion was already put and it is before the House at this time. The Chair feels there was ample time to raise the point of order and that it should have been raised at the first opportunity.

• (12:40 p.m.)

On the other hand, in looking at the motion it appears that the main point is not directly related to the $100 million. In the opinion of the Chair it is related to the situation facing the farmers of Canada. This situation could perhaps be solved in many ways by spending money. In addition, the Chair did not find it difficult to accept the presentation by the hon. member for York South (Mr. Lewis). I feel that his remarks were within the confines of the motion and did not impinge on the rules of the House, nor did they relate to Bill C-244 which is at present before the Standing Committee on Agriculture.

In the circumstances the Chair feels the motion is acceptable and will allow the debate to continue.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, I welcome this opportunity to participate in this debate. To some extent I am glad the motion as drafted was challenged because we will now have an opportunity to clear the air and find out what is at the heart of government policies as they have affected western Canada. I find it rather strange that the New Democratic Party would introduce a motion of this sort prior to an election with the hope that the government's policy for the payment of $100 million might somehow save them. That is rather awkward reasoning, to say the least. If anyone had anything to gain, it would be those who would be inclined to support the government in this regard.

Mr. Lang: Would the hon. member permit a question? I am wondering whether he might agree that the explanation for them moving this motion is perhaps because of their embarrassment over the fact it is well known in Saskatchewan they are blocking the other piece of legislation?

Mr. Speaker: Order, please. That is hardly a question.

Suggested Payment to Western Farmers

Mr. Korchinski: Mr. Speaker, I am sure there will be other speakers from that party during the course of the day who will provide their own explanation.

Mr. Lang: Oh, come on.

Mr. Korchinski: I fully subscribe to the suggestion that the effect of past, present and future government policies has been to put western economy in a depressed position. Perhaps the government is somewhat embarrassed over the thought that provincial reaction will ferret out weaknesses in the government's plans and people will have an opportunity to discuss them at some length.

Let us consider the situation in respect of railway stations now scheduled for closure. I do not have any major cities in my riding, but I do have some communities of a fair size such as Preeceville and Carrot River with populations of between 2,500 and 3,000. They had substantial economies but as a result of government policies over the years the railway companies came to the conclusion these stations had to go. I see nothing on the horizon to indicate that the government will attempt to intercede on behalf of these communities. The remaining smaller communities in terms of population have all been abandoned so far as rail service is concerned. One can travel 50 or 60 miles without finding a railway station in my constituency. This is proof of what we are going through as a result of government policy or the lack thereof.

I wonder why the motion is drafed in terms relating simply to $100 million, because I find this unacceptable. If we attempted to bring the western agricultural economy back to where it was and make it a viable area which might survive for some time, we would have to adopt a number of the policies suggested by the task force. There is a need for a greater injection of cash into that economy in one form or another. Only this morning at a committee meeting we were told of an amount of approximately $250 million paid out under a plan. These are figures arrived at by the department. In these terms $100 million is very unacceptable considering that the results of some of the government's policies mean a complete abandonment of government responsibility.

I have in mind the stockpiling of uranium, assistance to the gold mining industry and assistance to companies such as Ford of Canada. These are industries which came to the government and received assistance. I cannot comprehend why the government is today abandoning its responsibility toward the farming industry. This is obvious in view of the relatively small amount it is prepared to pay and the large amounts being spent on other programs. Some of these programs are not new but represent an abandonment of existing programs which had in fact been serving a purpose.

I suppose there does come a time with all legislation introduced into the House when amendments and changes are required, but I do not understand how the government can abandon a policy which has had the result of a cash infusion into the western economy. Certainly there has been a need for this infusion in the last three or four years, far more so than in the previous five or six years.

[Mr. Speaker.]

I remember that three years ago we had a severe crop failure as a result of frost damage. The grain was damp and farmers had to make additional expenditures to dry the grain. This meant that in addition to the lower returns because of low grades there was the added expense of drying and storing the grain. At that time we pleaded with the government for some measure of assistance to help us out of a very awkward situation. Moreover, we suddenly found that because of bungling here and there ships were waiting at ports but could not be loaded. There was not enough grain and some ships were turned away. This all resulted from government planning.

Last year was a 15-year low in terms of grain sales. That also added a depressing factor to the western economy. This year with a few grain sales one must think about the result. People are inclined to make comparisons and when they read about grain sales they think in terms of quotas. We have heard the minister refer to the question of quotas. He tells us we will have an eight-bushel quota. But when one thinks in terms of quotas today the eight-bushel quota on grain is equivalent to a five-bushel or six-bushel quota years ago. Today we have an entirely different basis on which to calculate the amount of grain.

• (12:50 p.m.)

We also went through the period of the Lift program. At that time the government immediately batted about —and this is a game the government plays—the suggestion that it would represent something like $140 million. The government asked what the farmers were complaining about because they would get $140 million. The net result after a fairly long period under the program is a pay-out of approximately $53 million.

The government is now in the midst of introducing several other bills. It hopes, for example, to pass Bill C-244. There will no longer be an initial quota. It is interesting to note that there was a pay-out in 1968-69 of over $100 million. That was an actual pay-out from the consolidated revenue fund. This year, as was amply pointed out by the Leader of the New Democratic Party (Mr. Lewis), when one calculates the result of the loss on storage it will amount to something like $40 million.

It is rather confusing to talk about $100 million in respect of this motion and the other legislation when in actual fact the amount of money to be paid out will be far less and probably in the order of $40 million. In addition, for years to come we will have a further complication in respect of storage facilities. In the planning stages there have been discussions by the elevator companies concerning the possible elimination of certain storage facilities, because the government no longer feels that grain in storage in itself is an asset. The farmers in an effort to make as much money as possible or, if you like, save as much money as possible will also be seeking

to reduce their storage. The government in this regard is abdicating its responsibility and the net result is we have lost stations in many communities and will lose many elevators which will further complicate the situation in that it will increase the cost of production in those areas. This is all part and parcel of the government's planning.

We have heard so much about Bill C-176. This is part and parcel of the bureaucratic planning on behalf of the industry. It is supposed to do great things for the industry. Without going into the ramifications, I might say that when one talks to farmers one is frightened by their reaction. In the initial stages when this bill came before the House I was somewhat impressed by the fact that at that time the government felt it was in the interest of the industry. To some extent even our NDP friends shied away because it was part and parcel of the national marketing idea they had batted around for years. At various stages of the discussion of the bill they were reluctant to show any opposition to it as a plan which they thought was acceptable to them. Part of their philosophy involves government bureaucratic planning and they consider this the only way to solve some problems.

The government's consolidation program on which the hon. member for Crowfoot (Mr. Horner) touched is another program with a far-reaching effect. What does consolidation mean? It simply means a small farm is added on to another farm. This means the eventual elimination of farmers. I do not see how we can consolidate and still have as many farms. In addition there are bound to be fewer producers. When the agricultural committee was studying the whole question of farm machinery prices the president of what was then Massey-Ferguson came before us and waved a headline. That was in 1961 or 1962. The headline announced a large sale of grain. He was happy because this meant they could increase the price of farm machinery. That is exactly what happens. There are many people who are willing to help relieve the farmer of any income he obtains. It is almost as if they have the first claim on his income. As one goes through the country one notices the new offices and facilities the banks are building. All these things are paid for by the interest payments made in and around those communities.

As a matter of fact, we end up with the credit unions and banks in competition when everything else is falling apart. When other businesses fall apart the banking fraternity seems to be able to increase its facilities and services. We have reached the point where everybody is involved in mortgages.

This brings to mind the situation which existed in Cuba. The reason for the Cuban revolt really was that the people wanted to have a piece of land that was really theirs. Whether it is a large corporation or the government which owns the land the net result is—

Mr. Speaker: Order. I have to interrupt the hon. member. Since it is one o'clock I must now leave the Chair. The House will resume its work at two o'clock.

At one o'clock the House took recess.

Suggested Payment to Western Farmers

AFTER RECESS

The House resumed at 2 p.m.

Mr. Korchinski: Mr. Speaker, when the House rose at one o'clock, I was suggesting that the government's policy with regard to farm consolidation is unacceptable in the light of present circumstances, as well as in the light of the past experiences of some other countries. I was remarking that in Cuba, where some land was owned by landlords, the Cubans took it upon themselves to change that system, perhaps in a more violent way than one would care to see in this country. They felt that consolidation was unacceptable in view of unemployment. We in Canada find ourselves in a similar situation, and if the present trend is continued by this government it will eventually lead us into an unhappy situation. As farms are consolidated into larger and larger holdings, the unemployed who are massed in urban areas will ask why the land holdings have to be so large, regardless of whether these holdings are private property, government holdings or those of the Farm Credit Corporation.

This government policy will lead farmers to say that they do not care whether or not they own the land. The government is already in the business of confiscating some of this mortgaged land. That will be unacceptable from the point of view of production. I have had an opportunity of visiting some of the communist countries, such as Poland and Russia, where I found that production was very poor. The explanation provided by most people was that individuals lacked incentive. In the case of Poland, the government of that country had to turn over part of the land that was state owned to private individuals. This provided greater incentive for production, and the net result of the reversal in their policy was increased productivity.

Surely, we should learn a lesson from these countries. We do not want a situation where violence would be almost necessary. On the other hand, we do not want efficiency to be decreased. I pointed out previously that the redistribution of some of the wealth may be necessary. The government's proposal, as set out in one of the bills, would indicate that whereas in the past the infusion of government money into the western economy was in the order of eight to one, at present the ratio is one to one; in other words, the amount deducted from the producer himself is equivalent to the amount contributed by the government. This fact was amply demonstrated in the Prime Minister's speech on June 2, 1968 when he outlined what was then the Liberal policy. This policy has resulted in the effort to consolidate farms rather than have a government infusion of cash. It is true there is a time when one should put on the brakes, but there is also a need to see that the lives of these people are not disturbed to the point that they become so disappointed they simply walk away from a life's work and effort. On three occasions another administration, then headed by—

• (2:10 p.m.)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I must do so in order to advise

him that his time has expired. The hon. the Minister of Agriculture (Mr. Olson).

Hon. H. A. Olson (Minister of Agriculture): Mr. Speaker, I am very happy that we have an opportunity to discuss some of the matters raised in the motion before the House this afternoon, as well as an opportunity to deal with some of the arguments made in relation to that motion.

I must agree that some very severe problems are associated with the decline in the gross receipts from any commodity, particularly when that commodity looms as large in our total agricultural economy as does grain. It is a fact that there has been a decline in receipts in the latest year for which full statistics are available, that being 1969-70, from some of the years in the recent past, particularly during the prior five years. That fact brings along with it some of the problems referred to by hon. members with respect to the amount of net farm income that these producers receive. Certainly, while there has been a decline in demand for these commodities in world markets, there has not been a corresponding decline in costs of production. I am the first to admit that this is the situation we have faced in the last two years or so.

Canada is not alone in this situation. I do not think that any member of this House will disagree that in dealing in an international market, where many countries have to compete in the price and volume associated with that market, comparisons with such countries are valid. As hon. members know, the crop year transcends the calendar year to some extent and as far as Canada is concerned between 1969 and 1970 gross cash receipts declined from $4,192 million to $4,166 million, or some $26 million, a very small percentage. I acknowledge that there was a larger decline in the grains sector than in over-all agricultural commodity sales. In some sectors of the agricultural economy, there was actually an increase between 1969 and 1970.

As I said a moment ago, we need to draw comparisons. For example, Australia also has a very large interest in international markets as far as her grain production is concerned. I am sure hon. members present will agree that perhaps Australia is the country with the greatest relevance for Canada. Over 50 per cent and even as high as 75 per cent to 80 per cent of that country's grain production goes into the international market; that is about the same as Canada. We need to make these comparisons with countries having a relevant situation. In Australia, the total cash receipts for 1969-70 declined from $1,050 million to $890 million for 1970-71. What we are talking about here, of course, is a very difficult situation of over-supply in relation to the effective demand in the international grains market. Canada's farmers had some difficulty with that, but they were not alone.

I should like to move on to the next step which I think is important, Mr. Speaker. Certainly, a federal government such as we have in Canada has some responsibility to be helpful in that type of situation. In 1969-70 the federal treasury transferred into the grains economy $66.3 million through the Temporary Wheat Reserves Act, about $12 million under the Prairie Grain Advance Payments Act—that was only for the payment of interest on this money—$57 million under the Wheat Acreage Diversion Program, $6 million for the payment of interest on credit sales, about $73 million went into the purchase of food aid from this sector of our agricultural economy and $1.1 million under the Prairie Farm Assistance Act for a total of about $215 million during that year. Although some amount of this was paid in the first part of the year, I am not going to argue that this $215 million fully compensates for the difference in the gross cash receipts that farmers received in years from 1963 to 1968. These years registered the highest in terms of total cash receipts that farmers ever received from the sale of grain. I think we have to agree that this went some distance in attempting to alleviate what was recognized as a very difficult situation for the farmers.

I hope my colleague, the hon. minister from Saskatoon-Humboldt, will intervene later in the debate and deal with some of the other specific programs that we have undertaken to relieve this situation. In the event that he is unable to participate, or that his time will be occupied in another very important agricultural debate taking place in one of the committees, I should like to point out briefly that since the end of the period for which these statistics are available there has been a marked improvement in the international situation as far as our volume is concerned. We expect that the export of all grains in the current crop year, and this started over ten months ago, will equal and indeed exceed the previous record of 685 million bushels established in the crop year 1963-64. For example, barley and rapeseed exports will reach an all-time record level and wheat exports will be the highest in history, excluding the three exceptional years from 1964 to 1967.

We have to take these things into account. We also have to consider whether the action of the Canadian government and the agencies involved in selling grain to the international market did, in fact, assist in improving the market. It could be argued pretty successfully that the Lift program and the reduction in Australia and the United States, led us to the present situation where the marketing prospects for this grain look substantially better. Whether it will be maintained for X number of years or months no one can tell, but that has been the history of the grains industry as far as Canada is concerned. We know very well that not only in the grains sector but in other agricultural commodities we now possess the production technology and land resources to overproduce almost any commodity we wish in a very short period of time. Indeed, Mr. Speaker, we can overproduce all commodities at the same time if we apply this production technology to all of them. Hopefully, future results will be considerably better than they have been in the past.

• (2:20 p.m.)

Since our time in this debate is limited, may I turn to a number of other matters. One of those matters other hon. members have referred to relates to the efficacity of the Canadian farmer. I agree, as I have said many times, that

the efficiency of the Canadian farmer has been demonstrated. Since world war II, the increase in productivity with respect to agricultural products has been almost twice as high as the increase shown by all other sectors of the Canadian economy. Unfortunately, the benefit of a large part of this increased productivity has been passed on to others; some say to the middle man, others to the consumer. It is certain that the primary producer has not received the benefit of all that increase in productive efficiency during these past few years. There are some additional steps that we ought to take for the purpose of claiming for the primary producer some of the results of this increase in efficiency. An important element in this is the need for farmers to have greater influence and input with respect to marketing arrangements for farm products.

Some hon. Members: Hear, hear.

Mr. Olson: We have proposed a bill to parliament that would set up a structure under which that could be done. We believe that it is essential for us to proceed with provisions for marketing arrangements that will be acceptable to the producer and that will also be in concert with the wishes of provincial governments which have some jurisdiction in this field. I cannot predict this afternoon how soon we may reach the position in which farmers themselves will become more directly involved in the marketing of their products. All I can do is repeat what we have done and express my hope that this goal will be achieved soon.

May I say this, too. Simply passing the marketing legislation that is before Parliament now will not solve the whole problem. The legislation will merely provide the legal framework on which we can negotiate with the provinces and with producer representatives in order to find a way that will increase the farmer's influence and, hopefully, the return to the producer as a result of that action. I hope that we can proceed on this matter. I repeat what I have said many times across the country: In my opinion, since our farmers are now possessed of the advanced production technology I have referred to, the greatest return to the producer and the best way to enhance his position is through the establishment of marketing techniques as opposed to other methods. Government subsidies, transfers out of the treasury and that sort of thing ought to be used from time to time for helping the producers of a particular commodity over some rough spots in the marketing of their products. No member of the House sincerely believes that that course is a panacea that will help agriculture over a long period of time.

A great deal has been said this afternoon about the small farms adjustment program that we have been negotiating with the provinces for some time. I think it would be useful for me to say a few words about that program so that there is no misunderstanding in the minds of hon. members or of farmers who may be affected by this program as to what is being proposed. In the first place, Mr. Speaker, may I say what this program is not. May I talk about its negative aspects first. First, this program is not designed to force any farmers into accepting the options that are being made available under the program. The farmer will make his own choice. If you look at the history of small farm units and the degree of attrition that has taken place with respect to the total number of farm units—most of the units involved are small farm units—I think you will agree that this attrition has been brought about as a result of advancing production technology and efficacity. These trends will probably continue.

The farmer, no more than any other worker in our society, likes to be in the position of not using his talents and his time to full advantage. He does not like to use 50 per cent, 40 per cent or 30 per cent of his capability. All people like to use their full time and their full talents and energies in the occupation in which they are engaged. Therefore, Mr. Speaker, we must recognize that fewer and fewer people will be required to produce the total food requirements for our domestic use and for those markets available to us in the international field. So, we have come up with a small farms adjustment policy or program that offers three options to farmers who will qualify. When I talk about qualifying, I am sure hon. members will expect us to start at the bottom end of the scale and take those farmers in greatest difficulty, with the smallest units in relation to the size of economic units needed for the production of the particular commodity they raise. We should begin there and work up through the system as rapidly as funds will permit and as quickly as farmers wish to participate in that program.

We have suggested, therefore, that we start with farm units with a value of $20,000 or less. On a unit of that size, Mr. Speaker, we do not believe a man and his family can make a living or sufficient income to provide a decent living. The three options we are offering are these: first, for the particular farmer in that position who is either near or at retirement age, there is a program that we are suggesting under which he could make use of the assets he has acquired in this farm unit plus some subsidy. These, put together, would form a retirement package that would allow him to withdraw from agricultural production with some dignity and security. That is one option. The second option we are offering under the program—

Mr. Lewis: How much a month would he get?

Mr. Olson: That would depend on the amount of his assets plus the subsidy. I could go into some of those details, although there is not time for that now. I am prepared to send my hon. friend the 20 or 22 page explanation of what is involved in that program.

Mr. Lewis: I have read it and the monthly payment is pretty low.

Mr. Olson: The second option that we are offering to those farmers who are younger,—

Mr. Lewis: It is about $100 a month.

Mr. Olson: —and whose farm units are also too small to produce a reasonable return for themselves and their

families is this: We are suggesting that a farmer in that position use the assets and equity he has in the farm unit, together with some subsidization from the federal treasury, in order to give him sufficient resources to obtain some skill and enable him to provide for himself and his family during the transitional period of withdrawal from agriculture. He may undertake the necessary retraining and acquire skills so that he can find a place for himself in society in an occupation other than farming.

There is a third option suggested for other farmers who are not old enough to be near retirement and who want to continue in farming. In that case we are suggesting that some counselling and farm management service be provided. In addition, special credits should be provided so that he can acquire other small farm units and consolidate them into a unit which is large enough to provide him and his family with a decent living after expenses have been paid.

We think all three of his options should be considered together. Certainly, if some farmers are to retire and others are to withdraw from farming to go to other sectors of our economy, we need some people to pick up these small farm units and consolidate them into units large enough to provide a decent return. It may be, and this would be a very small part of the over-all program, that we may wish to use the land contained in some of the small farm units that are located in the areas of marginal or sub-marginal capability in so far as the soil is concerned for some other purpose. A number of suggestions have been made. Reforestation has been suggested, as well as using some land for recreational and other purposes. I do not want to get into the details of those suggestions. There may be some in that category.

• (2:30 p.m.)

It is essential that we make arrangements with the provinces in advance as to the disposition of this kind of land. This is one of the aspects we are discussing with the provinces at the present time. Certainly, we in the Department of Agriculture do not wish to become landlords of great numbers of farm units. I want to make it very clear that if there are any transfers for other purposes, these will be or at least ought to be made after a transitional period with the co-operation of the provinces.

There is one other important area of this ajustment program. We do not wish to enter into a program and set up all of the administrative machinery that is necessary if any part of it is going to duplicate what the provinces are already providing. For example, in those provinces where there are counselling and farm management services available, these services should be used. They should be co-ordinated with this small farms adjustment program so there is not a duplication and, even more important, that there is not a competition between various levels of government in offering these programs.

I hope hon. members will discontinue the argument that we are trying to drive these people out of agriculture and that we are going to set out on a policy that will force a reduction of perhaps 50 or 60 per cent in the number of farmers in this country. We know that the total number is now being reduced. This program is designed to give some assistance in being helpful to people in those situations who may want to choose one of the options we will be offering. I see that my time is rapidly running out. Before I conclude, I want to say a few words about some of the other commodities. I have been dealing with those commodities with which there have been the most difficult problems during the past few years.

Typically, all members who have participated in the debate so far have concentrated on these commodities rather than mentioning some of the other commodity groups where there has been an improvement from last year to this year and, indeed, a gradual improvement for the past four or five years. For example, beef looms very large in the total of the agriculture production in Canada. One year ago, Mr. Speaker, choice slaughter steers were selling on the Toronto market for 33.5 cents a pound. For the week ending May 29 this year, they were selling for 34.5 cents a pound. I remind hon. members that the price was substantially less than that three years ago. During the same week last year, they were selling on the Winnipeg market for 33.3 cents and at 34.25 cents in 1971. In Calgary the price increased from 32.4 cents to 33.4 cents. While this is not a large increase, it indicates that there has been sufficient to cover the increased cost of production during the past year.

The dairy sector is one area where there has been a remarkable, almost a dramatic improvement in the marketing situation during the past 12 months. About one year or perhaps 18 months ago, we had great quantities of skim milk powder and some other dairy products. Attempts were made to sell very large quantities in the international market at prices less than half of our support price in Canada. At that time, our support price under the Canadian Dairy Commission was approximately 20 cents a pound for skim milk powder. About a year and a half ago, we were getting six to seven cents in the international market. This was partly because of the supplies that Canada had on hand and partly because of the large supplies of this product that were available in a number of other countries, particularly inside the European economic community.

A year ago we embarked on a very difficult change in the dairy policy of Canada. We substantially increased the holdback on shipments that were made in excess of quota. I know there was some criticism, but as a result of that and other changes in the international market, we now have a much better situation. As a matter of fact, twice during this year we have increased the returns to producers on dairy products in the industrial sector. On February 8, we increased the product prices, in the case of skim milk powder from 20 cents to 24 cents and in the case of cheese from 47 cents to 51 cents. This increased the value of the milk being shipped to the producers by aoout 32 cents per hundred. Almost all, in fact 29 cents, was passed on to the producer by the processor.

On June 1, I announced that we were lowering the holdback for these producers, again increasing their

returns to some extent. All this comes about because of an improvement in the international marketplace and a reduction in the cost of surplus disposal into that market. Although you cannot predict these things forever, as far as we can see, which is several months down the road, it looks like we will have even more improvements in this sector because we have recently been making some sales of skim milk powder in the international market with no subsidies at all. Indeed, it was sold at 24 cents a pound. We have sold some cheese. In fact, for several weeks we have been selling cheese in the international market, although not in great quantities. Some of these sales have been with no subsidy or, in other words, above our support price of 51 cents per pound.

In conclusion, total cash receipts for farmers in 1970 were down a little from the 1967 receipts, from $4.192 million to $4,166 million. This was almost entirely due to the difficult grain marketing situation. On the other hand, there were many areas where the total cash receipts were up. They were up in the Maritimes, Saskatchewan and British Columbia from levels a year earlier. There is a reason for that. The total cash receipts for Saskatchewan had been affected much more profoundly by the grain sales in the year before. Receipts from sales of livestock and products rose from $2.5 billion in 1969 to $2.624 billion in 1970. Receipts from sales of cattle and calves, hogs, dairy products and poultry were all higher in 1970 than in 1969. Then again, receipts from particular commodities such as rye, flaxseed, rapeseed, soya beans, potatoes, many vegetables and tobacco were all higher in 1970 than in 1969. The Wheat Board's net cash advance payments figures were, of course, down from $157 million in 1969 to $105 million in 1970. So it is not fair or just or accurate to say, as did the leader of the New Democratic Party, that income receipts were down in respect of all commodities in all areas. That is simply not so.

• (2:40 p.m.)

Mr. Deputy Speaker: Order. I regret to interrupt the Minister of Agriculture but I must do so in order to advise him his time has expired.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I listened carefully to the remarks of the Minister of Agriculture (Mr. Olson) concerning the situation of Canada's farmers.

He said for instance that the government had decided to encourage an increase in farm acreages in order to ensure higher incomes for farmers. This is not a new policy. There were attempts in the past to group a number of units for a farmer who had to increase his income, but these experiments were not too successful in most instances.

Agriculture in both eastern and western Canada is in such a mess that farmers can hardly live on the income from their land. Is it not a fact that we are witnessing an exodus of our young farm people toward the cities, toward other centres where they expect to earn an income which will allow them to keep their farms since actually the farm can no longer afford a living to the farmer?

Suggested Payment to Western Farmers

Mr. Speaker, the NDP motion is specific enough and it reads as follows:

That this House condemns the agricultural policies of the government which have severely reduced the income of western farmers and threaten the future of Canada's entire rural community, and, in view—

—and this is very important—

—of the financial crisis of western farmers, calls on the government to consider the advisability of an immediate payout—

—whether there is production or not—

—to them of a minimum of $100,000,000 without conditions and in addition to other farm assistance programs.

It means that over and above whatever is now granted to western farmers, $100 million must be paid out to them immediately because they are going through a severe financial crisis.

Mr. Speaker, since there will be a provincial election in Saskatchewan on June 23 next, I wonder whether copies of the speech made by the New Democratic Party leader, the hon. member for York South (Mr. Lewis), will be distributed in Saskatchewan in an effort to collect votes in favour of his party's candidates out there.

Mr. Speaker, I believe the leader of the New Democratic Party is forgetting that Saskatchewan has already amply enjoyed government by his party for the past 17 years, a government which has allowed citizens of that province to migrate to Alberta, British Columbia, Manitoba—

Mr. Lewis: That is not true.

Mr. Caouette: The hon. member for York South is hiding behind the curtain and says: That is not true. But official statistics reveal that Saskatchewan is the only province in western Canada where the population decreased, under an NDP government. Why did that government after 17 years in power fail to get re-elected in Saskatchewan? Why? It was defeated by a former CCF, Mr. Ross Thatcher, who was here around 1945, 1947, 1948 and who has become the Liberal premier of Saskatchewan in 1964.

I do not blame the hon. member for York South, whom I highly consider, for being interested in politics since there will be an election in Saskatchewan on June 23. For the whole of Canada, the member for York South introduces a motion requesting that $100 million be distributed immediately to the Western farmers who are going through a severe financial crisis. I went there and met some farmers: it is true that they are having a hard time.

But the western farmers, those of Saskatchewan, are not the only ones who are having a bad time of it. In fact, the first organization to have severe financial troubles is the federal government: it cannot meet any demand. The farmers out West are no worse off than those of eastern Canada.

Barely two weeks ago, I met some eastern farmers. I also met some of the employees of Massey Ferguson in Brant, where just the other day an NDP member was elected, not because the people are socialists out there,

but because the personality of the candidate impressed the voters in Brant. That is why the New Democratic party won the constituency of Brant, and I advise the hon. member for York South accordingly.

• (2:50 p.m.)

Mr. Speaker, the financial crisis is widespread. We have just learned that in Quebec, the Manic Automobile Company Limited, which has received many thousands of dollars in federal subsidies, has nevertheless decided to declare itself bankrupt. The Soma plant, which assembles the small Renault cars, is about to close its doors, if deficits keep on growing. Textile plants at Lachute are closing, and the same will happen in the Eastern Townships, in the Saint-Maurice region, in October 1971, and at Montmagny as well. Those are facts relating to the industrial field.

Agriculture is also facing a financial crisis. Money is lacking, not intelligence or good will, for the 800,000 unemployed want to work. The 1,500,000 students who are now seeking summer jobs would like to be part of Canadian society, but they are told: We have no money. Credits of $27 million were voted to help our young people. What does it represent? A mere drop in the ocean!

If a war broke out tomorrow, those 1,500,000 young people would be drafted. It would no longer be a matter of $27 or $50 million; billions would be found to give them decent food, clothes and shelter. Ways would be devised to finance their integration into the Canadian armed forces. Yet, we do not seem able to work out ways of making them part of society in peace time. That is what is wrong with the system.

There is the same problem throughout the country. Corn producers in Ontario complain they are facing a financial crisis. Everywhere from east to west, we are told the same thing: There is a financial crisis! Instead of getting directly at the source of the financial crisis, the government is pitting one region against the other. Western farmers tell me: "If we do not have enough, it is because Ottawa is giving too much to the East". When I am in the Maritimes, I am told the same thing: "If we do not have enough it is because the federal governement is giving too much to western farmers".

The hon. member for York South is well aware of the squabbling which exists in Canada and which is destroying Canadian unity. This is well known. Why? Because nobody is trying to get to the root of the evil.

The roots of this evil, Mr. Speaker, are not to be found in the pockets of millionaires. I hear members of the New Democratic Party saying: "Down with exploiters, down with big business, let us get at the rich and help the poor". If we were to collect $200 million a month from the rich and distribute the amount among the population, what would they get? Ten dollars each. Would we make them rich? No! We would thus make the rich poorer by $200 million. We would have more poor and this would increase the consumers' wealth.

[Mr. Caouette.]

The deep-rooted cause of the problem lies with the financial system. We will at long last have to make up our mind to correct its faults and use our national financial institution, the Bank of Canada, in a rational and effective way. In fact, nothing keeps us from doing so. But so long as we do not do that, we shall be beset by a lack of unity, quarrels, and current problems in Canada. The hon. member for York South knows what he is talking about, to be sure.

About one year ago, I was in Winnipeg where a convention of the New Democratic Party was being held in view of the recent convention at which the hon. member for York South was chosen as party leader. One evening, I was watching a news broadcast on television about the New Democratic Party convention and I heard the hon. member for York South repeat what he says quite often in this House. He was speaking against the Americans, both fists raised, and he said: Our economy is controlled by the Americans. It has to stop. A New Democratic government would put an end to any abuse and control of our Canadian economy by the Americans. The young people as well as the others were shouting their satisfaction in the arena where the convention was taking place. Everyone was happy to hear such statements from the hon. member for York South who seemed quite sincere.

In Manitoba, it just happens that the New Democratic Party is in power. The premier, the Hon. Edward Schryer sat here, as the member for Selkirk, I think. During the Winnipeg convention, the hon. Mr. Schryer spoke to the delegates. Well, the next evening, after having heard the leader of the New Democratic party on the radio, I heard the Minister of Finance in the NDP government of Manitoba who had just returned from a visit to United States—a country of exploiters who want to control the Canadian economy—say: I was exceptionally well received by the Americans who rolled out the red carpet and granted us a loan of $50 million for the construction of a power-station in Manitoba.

Mrs. MacInnis: Why not?

Mr. Caouette: The hon. member for Vancouver-Kingsway asks "why not", when we are, at this very moment, fighting against American control of our natural resources!

Either the hon. member for York South or the Minister of Finance of the new NDP government was lying the following night. One does not want any American control, while the other seeks it in order to develop the natural resources of Manitoba.

Mr. Speaker, it does not mean that the NDP government is worse than the Quebec government. The Liberal premier of Quebec went to the United States to borrow $75 million at 9 per cent interest for 25 years. Nine per cent interest for 25 years. Did the Quebec premier return from New York and Washington with whole sackfuls of American dollars? No. He came back with a slip of paper on which was written $75 million, signed by Robert Bourassa endorsed by the Province of Quebec.

• (3:00 p.m.)

Not a single five cent piece left the United States but Mr. Bourassa came back with a slip of paper worth $75 million.

A few days later, Premier Bourassa went to Germany, France, Italy, England to borrow money. Did he come back with whole sackfuls of German marks, French francs, Italian liras and English Pounds? No, he came back again with slips of paper with figures on them.

Why was Premier Bourassa not allowed to have the figures printed by the Bank of Canada instead of by American and German bankers allegedly because we must diversify our loans in order to help farmers and all other people in Quebec?

How could we cause greater inflation by having $75 million produced in Canada, by the Bank of Canada instead of going to Germany, Russia or the United States? The difference would be in the interest that must be paid to others.

And while Premier Bourassa was borrowing money everywhere, in Europe, in the United States, Mr. Paul Gérin-Lajoie, lackey of this government, who is working for the agency giving assistance to underdeveloped countries, was in India, granting interest-free loans for 50 years! Do you think that Paul Gérin-Lajoie left Canada with whole sackfuls of Canadian dollars? No, he went with a little piece of paper bearing the words $40 million interest free for 50 years and that, while Premier Bourassa was in Europe to borrow money bearing interest at 8 and 9 per cent. Such logic!

This can be said to the Liberals while the member for Papineau (Mr. Ouellet) comes to my constituency to say that I am opposed to interest-free loans to foreign countries. If it were permitted to say that he is a liar I would say so but since it is forbidden I will not. However—

The Acting Speaker (Mr. Laniel): Order. Although I was not in the House when the member for Temiscamingue began his remarks, I am wondering how he can connect them with the motion and I invite him to conclude his digression as soon as possible.

Mr. Caouette: Mr. Speaker, while helping the western farmers with $100 million, we are going as far as helping at the same time the farmers in India with an interest-free loan of $40 million. Therefore my remarks were not so irrelevant. Money is found to help others and we should also be able to find some money to help not only western agriculture but all the other sectors of our economy.

This problem does not concern agriculture only: it is general throughout the country. When I give as an example the action of people who try to introduce a motion for purely political purposes and because an election is to take place in Saskatchewan, I think I am saying something pertinent.

In any event, this motion will not solve the problems of the western farmers. The Minister of Agriculture is well aware of the solution. If he were still a Créditiste he would speak as we do, as he used to do a few years back and he would find where the problem lies because he could find it some years ago when he was a member of our party.

He would accept to tell the government exactly what he thinks. However, at the present time, he is caught inside the cabinet: solidarity prevents him from speaking his mind. He smiles while listening to us; that reminds him of happy memories, when he spoke exactly as we do, some years ago, while he stood up for the farmers—

Mr. Olson: I still do.

Mr. Caouette: —as no hon. member had ever done before. Today, he supports the farmers by telling them: Be happy with what you have, we are doing our best.

Mr. Olson: No.

Mr. Caouette: When asked: What are you doing?, they reply: Not much, we are doing what we can. But what are the results? There are none yet, but there will be some. We are going to dispossess two, three, four or five farmers, in order to establish a collective farming unit or a larger one designed for two farmers who will get into debt over their heads. Nobody will ever see their ears again as long as they live because they will be so deep into debts.

The Minister of Agriculture considers such a solution excellent for helping the western farmers. Even if $100 million or $200 million were granted, that would not be the proper solution. The only solution to get agriculture back on its feet is to allow consumers to buy products suited to their needs.

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but his time has expired.

Mr. A. P. Gleave (Saskatoon-Biggar): Mr. Speaker, I must say I was somewhat intrigued when the minister of Agriculture (Mr. Olson) started out by telling us how badly off the Australian farmers were and that the Canadian grain farmers were no worse off.

Mr. Olson: No, I didn't. I started with Canadians.

[*English*]

Mr. Gleave: He wound up by giving us figures to show that the Canadian farmers were really quite well off. When he compared the Canadian farmers to the Australian farmers, he reminded me of the story of a chap who felt badly because his hogs were sick and dying. He went over to see if his neighbour knew anything about the disease. His neighbour said his hogs were sick and dying as well. The first farmer said: "Well, it ain't as bad as I thought it was". This story came to my mind as the minister was talking.

The minister then took our first speaker to task for his attitude and what he said about the adjustment program. I say to the minister he should not be surprised by the conclusions which are drawn with regard to this program. If one goes back to the task force recommendations, he can draw the clear conclusion that this consolidation program was recommended by the task force. Let

me read the final paragraph on the production of a grain receipts policy for the western grain industry, as set out by the minister responsible for the Wheat Board. Under the heading "Encourage adjustment of farm units to more efficient sizes", I read:

> The problem of farm consolidation is one which is not peculiar to the prairie region and which, perhaps, is less critical in this region than in other areas of Canada. It is therefore believed that it would be inappropriate to propose programs for the prairie region to deal with the consolidation issue in advance of the availability of programs to deal with this problem in Canadian agriculture generally. Such a general plan is in preparation.

The report refers to a consolidation program which is under way. It does not say anything else. Let me read from page 6 of the minister's own document put out on March 8 regarding policies required. Time does not permit me to read it all, but I will read what I think is the operative paragraph.

> The second main group of policies involves several subsets of policies designed to control the direction and rate of these adjustments in line with the needs of the market. These include policies to increase economic incentives to shift, for example, from wheat to forage, from dairy to beef, or from farm to non-farm employment. They depend for their operational efficiency on the effectiveness of the first set of programs—those designed to increase the mobility of resources and to grease the wheels of the adjustment process.

That is what is said. Neither of these documents suggest these policies are designed for the people. The first I quoted said the policy is designed to consolidate farms and the second one refers to the direction and rate of these adjustments in line with the needs of the market. I grant the minister that there is a reference to a retirement option and so on, but if the government really expect us to believe what the minister said a few moments ago it should get some new writers. These writers should be instructed to put down the words the ministers want to use. What we read in these documents causes us concern and that is why we have put forward this type of motion today. We want to emphasize the agricultural situation in western Canada, and if as a result the minister or others responsible clarify their position, redirect it and get someone else to put in writing what they want to say, then this debate has been helpful.

• (3:10 p.m.)

I think it might be useful to take a look at some of the reasons we have reached this point. We might go back to 1966 when farmers were asked to grow all the grain they could. I do not particularly fault the minister responsible at that time. It has become almost a practice of governments to claim credit for any wheat sales that are made and then, when conditions are not so good, to duck for cover until sales pick up again. This is not an unusual process. Following the negotiation of the International Grains Arrangement, we had to contend with a decline in price and in sales volume. The two came together. I could quote Canadian Wheat Board figures to show the twin trends, but I do not think it is necessary to do so. Later on, we had the devaluation of the dollar which was government policy. This was another factor in the decline of the actual gross income of grain farmer.

But now, at that point in time, what was the government's answer? Well, the first action by the Minister without Portfolio in charge of the Wheat Board was to initiate a new cash advance program. At that time we told the minister there was an income crisis in western Canada as a result of the situation which existed in respect of grain. That was known. No one questioned the facts of the situation. So, the minister said he would bring in a new cash advance program under which the amount the farmer could borrow would be doubled. The net result was that the farmer sold the next year's crop in the present year, in an attempt to obtain some income. This process went on for two years, but did not put extra cash in the hands of the farmers. The minister can talk about the Temporary Wheat Reserves Act and the PFAA, which was an established program, but at the present time there are proposals to completely eliminate these programs. The net result of the cash advance program was that the farmer faced even greater difficulty.

Mr. Olson: Did he not get the money?

Mr. Gleave: Sure; he got the money.

Mr. Olson: And he got into deeper difficulty by getting money; I do not understand that.

Mr. Gleave: I am surprised. The minister is a rancher, a farmer and a businessman, but he never heard of a farmer borrowing enough money to get into difficulty. I am very surprised.

Mr. Olson: This is not a loan. It is an advance on grain held on the farm.

Mr. Gleave: All right. I am just putting on the record what the government proposed, and what the minister in charge of the Wheat Board who is not now in the House brought forward as policy. It did not work very well. In fact, the minister is back this week redrafting the whole policy, as well as the cash advance legislation because it was a failure.

Mr. Olson: It needs improving, that is all.

Mr. Gleave: All he did was restore the original provisions of the legislation.

Mr. Olson: No.

Mr. Gleave: The farmer can now be charged interest, and that is a pretty standard improvement for these people who are in power. They can now charge an interest rate which they could not do before.

Mr. Olson: And give loans on other grains also.

Mr. Boulanger: You are playing Saskatchewan politics. Be honest. Do not be a socialist all your life.

Mr. Gleave: Mr. Speaker, I cannot understand why those people across the way seem to think I am concerned with Saskatchewan politics. If I were concerned about Saskatchewan politics, I would be in the same

category as the minister in charge of the Canadian Wheat Board.

Mr. Boulanger: Don't say anything more.

Mr. Gleave: Mr. Speaker, would you mind asking the hon. member across the way to cease interrupting until I have finished.

Mr. Boulanger: He does not understand your English.

Mr. Gleave: Speaking about politics in Saskatchewan, I note a newspaper report in the Ottawa *Citizen* in which there is the following reference to the minister in charge of the Wheat Board:

> He added with a smile that he was confident Premier Ross Thatcher would be bringing the wheat sale to the attention of Saskatchewan voters during the next few weeks.

Earlier in the same article we find the following:

> Mr. Lang suggested the large sale had been expedited through Prime Minister Trudeau's recent visit to the Soviet Union.

Well, I say to the boys opposite that they sure take the prize for timing, so do not start kidding me about politics in Saskatchewan.

I wish to come back again, Mr. Speaker, to the programs the government has initiated. After the cash advance program, they came along with the Lift program and said they would pay out $100 million. Somebody the other day said that more than the $100 million was committed, but that was denied. So, the government came along and said it would pay out $100 million. According to the figures the minister gave a few minutes ago, the amount that was really made available was somewhere in the area of $60 million. You know, Mr. Speaker, the farmers are still trying to collect the remainder of that money. It is past seeding time for this year and they started collecting this money away back in the previous year.

Another of the minister's answers to the situation was to tell the farmers not to grow any more wheat and not to plant any more land to barley or rapeseed. In effect, he told them to close down shop. Fortunately for the government, the farmers did not really follow his advice. They did plant some barley and some rapeseed. They planted a fair amount of acreage in both. They continued to plant some wheat. Had they not done this, the sales of rapeseed and barley the minister is bragging about would never have occurred. Had the farmers taken the advice of the minister without portfolio in charge of the Wheat Board, the sales the government is bragging about could not have been made because the grain would not have been available.

You know, Mr. Speaker, one can trot out figures and say a number of things. However, these are the facts of the matter. The programs the government undertook have caused a real disruption in farming practices. It is a lucky thing we did not have a windy spring because then I do not know how large the disaster would have been. Then, the government comes along and hits the button again. Back in October 1970 there were proposals in respect of the cash receipt policy for the western grain farmer. There are a number of proposals now, which the minister has said will eventually be put into legislation. One of these proposals was the payment of $100 million to help out in respect of the shortfall which it was known existed. That proposal was made in October 1970. Mr. Speaker, that $100 million has been dangled before the eyes of the farmers since that time. I could go on all through the piece.

• (3:20 p.m.)

In October, there was the announcement concerning certain proposals. Then, on March 1, there was the announcement to the House of Commons regarding initial payments on wheat, oats and barley. On March 9, there was the final revision of the grain policy proposals which were tabled in the House and were to be completed within the next two weeks. On March 15, there were the revised proposals, and again legislation was to be considered. Finally, on April 29, the government came along with definite proposals.

Now again, we see the repeat of the carrot and stick method which was used in the Lift program. On the one hand they said, "We think it would be in your interest to accept the Lift program", and on the other hand they said, 'If you do not, you will suffer under the permit system which governs your privilege to deliver grain". Under this program, they say "Yes, we have $100 million, but before you get it we have another program which will decide your future for years to come. Before you get that $100 million you will have to sign on the dotted line". All this time the farmers have been promised $100 million. Is it any wonder that when one goes back to one's constituency, people ask when this acreage payment will be made? Is it any wonder that we receive letters asking when this acreage payment will be made? All that one can reply is, "Whenever the government is ready to do so."

The minister has accused the opposition of holding up the payment. I spoke of the time it took him to get the legislation before the House. He could have released this money at any time the government was agreeable after October 29, 1970 when he announced these proposals. All that our motion requests is that the government now do what they said they would do. Nobody is asking them to develop new proposals. All we are saying is that we want the government to do immediately what they said they would do because there is a need that it be done immediately. I suppose it is too much to hope that the government will agree to do it. If they do, then it will certainly be welcomed by farmers in western Canada.

The minister stated that the situation is not that serious. I have farmers who are under pressure to pay back farm improvement loans, which they cannot do because of lack of money. I have farmers who have had to ask the Farm Credit Corporation to allow them a delay because they did not have enough money to pay back the loans. These are not irresponsible people, they are ordinary well established farmers.

Suggested Payment to Western Farmers

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to participate in this debate, since I have had the pleasure of offering my co-operation to the Committee on Agriculture for nearly three years. I have read carefully the motion which was introduced today, and I have had the opportunity of listening to a few speeches.

The motion reads in part as follows:

—condemns the agricultural policies of the government which have severely reduced thee income of western farmers and threaten the future of Canada's entire rural community,—

It is very easy to condemn the government but, in all objectivity, we must be true participants and make certain suggestions.

And I am not one of those who believe that government policy alone is responsible for the difficulties encountered by western farmers at the present time. Demanding the unconditional payment of an amount of $100 million is surely unacceptable to me since we must admit that the wheat markets we had a few years ago are inexistent today and some of our customers have become competitors.

We must nevertheless admit these facts and I was quite pleased to listen a while ago to the hon. minister responsible for the Wheat Board, who spoke as much as possible on the methods that the government has tried to implement for three years.

Charges leveled by various people have been refuted, but as the leader of the Social Credit (Mr. Caouette) has also said, I do have reservations about these $100 million being granted exclusively to the western farmers.

We know very well that some western farmers are in trouble. Certainly these $100 million would be welcome in view of the Saskatchewan election. Some might say that this motion has a definite political objective, but I am too kind to make such a charge.

I should perhaps consider the time we have spent discussing agricultural measures involving especially the western farmers since I came to this House. It made me aware of the problems of the grain producers, but does the full responsibility for those difficulties lie with the government? I shall be more objective and honest than that, and certainly I shall not blame the government alone.

As I said earlier, some circumstances made it easier for us to sell our wheat, but we know very well that nowadays we have to compete with other countries.

But I also think that, even though it is said in this motion that the income of farmers have decreased, we should have been more practical in the House and set a limit to some debates in order to save time. We could earlier ensure some grants to these farmers.

May I give an example. We could easily have improved incomes for some groups of farmers, not only in western Canada but also in the East—

Mr. Joseph-Philippe Guay (St. Boniface): Mr. Speaker—

[Mr. Gleave.]

Mr. Speaker: Order. I regret to interrupt the hon. member for Joliette, but the hon. member for St. Boniface is rising on a point of order.

Mr. Guay (St. Boniface): Mr. Speaker, I should like to call your attention on the fact that those who proposed the motion now before us, namely, the members of the New Democratic Party, are all absent from the House.

Mr. Speaker: The hon. member for Joliette.

Mr. La Salle: Mr. Speaker, I thank the hon. member for St. Boniface for his remark. Apparently his few words have proved efficient since already an NDP member is seen entering this House.

I was just saying, Mr. Speaker, that a matter of money is at the root of all policies but, unfortunately, the simple matter of politics is also there. Would granting $100 million to the farmers of western Canada be considered as a temporary solution? In my opinion, the government is responsible for setting down a long-term policy and the motion we are now debating which tends to claim these $100 million is still acceptable since it is also aimed at requesting that some conditions be fulfilled. I do not believe the government can deliberately grant $100 million to a certain group because of the difficulties they are experiencing. I can well imagine that tomorrow morning the government would be faced with further requests for grants of the same kind.

I particularly want to stress how much time we are spending on the study of different measures, more particularly the one now before us.

• (3:30 p.m.)

I said we could have increased the income of farmers, not only in the West but also in the East, had we been a little more practical about Bill C-176. The motion involves the income of farmers. I know there is much opposition in that field. We have been waiting over a year. The passage of this bill would improve to a certain extent the income of western farmers. I believe the government has made a commendable effort in the last year. We have played too much politics about this bill instead of emphasizing for instance, the mandate we have been given in this House.

In comparatively less time we could have improved the income of some farmers for example by introducing a bill to ensure the distribution of our products and the setting up of price averages which would have directly affected the farmers. But, on the contrary, we spent much of the time of the House opposing the proposed measures because we fear too much control. I believe control has become necessary if we talk of planning—

Mr. Speaker: Order. I regret to interrupt the hon. member, but I think I should remind him that he must as much as possible stick to the motion now under consideration. Apparently the hon. member wishes to review the discussions held in the House in connection with another specific bill and he referred to those which may have been held on that bill in the Committee on Agriculture. I

do not think that it is advisable to resume those discussions when the House is dealing with a general motion concerning the agricultural conditions in the country.

Moreover, the hon. member will recognize that the point has already been raised by the Chair when it was suggested earlier during the debate that the motion could give rise to a discussion on another bill. The Chair then suggested to the hon. member to stick to the motion and not to initiate another debate on a bill concerning agriculture which is now being considered either by the House or a committee.

Mr. La Salle: Mr. Speaker, I was simply trying to show how much time is wasted in this House when we consider an urgent piece of legislation dealing specifically with an increase in the producers' income. I had thought that hon. members would not have to restrict their remarks to western producers, in the light of the difficulties experienced by the whole country.

In any case, I want to comply with the request of the Chair and restrict myself to this motion, but I cannot help reminding the House that it is not appropriate to waste time while we are discussing bills. In fact, I think that the amount of $100 million mentioned in the motion has been discussed for some weeks in the Committee on Agriculture, where, more and more, the contributions only result in delaying the passage of this legislation likely to provide immediate assistance to producers.

I only wanted to react against the tendency to extend too often the proceedings in order to gain time and to enable some hon. members to make the headlines. I dare believe that every member has the duty to suggest the best solutions. A vote will eventually be taken, but we already know how it will turn out.

I think we should strive to save time as much as possible in the House by suggesting concrete solutions, by making haste so that producers may take advantage of the legislation brought before the House. Of course this is no way prevents hon. members from taking part in the debate and making suggestions.

I hope, Mr. Speaker, that we shall be more practical than ever, considering the interests not only of the farmers but of all Canadians.

On reading the motion, one finds that it is a question of planning. Some co-ordination is required with regard to this production and, if we speak of planning, in a system directly affecting wheat producers, we must also be ready to do some planning in the House.

How can we continue to speak about planning within government organizations if we refuse, at the start, to do some planning here in the House so that our debates may be more efficient?

I ask the question because it must be asked. The thought occurred to me because I know from three years' experience in the House that we have greatly neglected to put order into our work.

We must take greater care of the categories of people affected by the bill I mentioned. Therefore, I dare hope we will be more practical about these measures.

Suggested Payment to Western Farmers

In my opinion, the motion before us is unacceptable since it simply asks for a $100-million subsidy to be given unconditionally and exclusively to western farmers. We very well know that they are not the only farmers in difficulty. I must admit that the government has made some efforts and that several bills will be introduced. I hope my colleagues will be practical enough to adopt promptly the measures that will benefit eastern and western farmers.

[*English*]

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): As usual, Mr. Speaker, I welcome this and every opportunity to take part in debates relating to the economic welfare of the agricultural industry. I have to support the no confidence motion introduced by the hon. member for York South (Mr. Lewis), the new leader of the New Democratic Party, as it appears in today's order paper. The motion reads:

> That this House condemns the agricultural policies of the government which have severely reduced the income of western farmers and threaten the future of Canada's entire rural community, and, in view of the financial crisis of western farmers, calls on the government to consider the advisability of an immediate payout to them of a minimum of $100,000,000 without conditions and in addition to other farm assistance programs.

• (3:40 p.m.)

I must say that I became somewhat concerned about the sincerity of the hon. member's motion when he related it to the Saskatchewan election, slated for June 23. Western farmers in particular have been watching the new Leader of the NDP very closely. They want to see what policies he will advocate relating to agriculture, inasmuch as over the year, as a high priced labour lawyer, he, together with his party, seemed to be more concerned about organized labour than about agriculture. On occasion, when labour unrest and west coast and seaway strikes threatened our grain market economy, our friends in the NDP were strangely silent.

An hon. Member: That is absolutely correct.

Mr. Southam: Another example I could cite is the debate in the Saskatchewan legislature relating to the slowdown and strike of rail workers this spring. The grain trade stated that this cost us about $50 million in lost grain sales. In that debate, the Saskatchewan NDP members were forced to support the Saskatchewan Liberals in condemning the strike, while the federal NDP members kept quiet. However, Mr. Speaker, I want to advise the hon. member for York South that, regardless of his motivation, he cannot leave the impression that he and his party are the only ones who are seriously interested in the welfare of agriculture. It seems that our chief concern is ever decreasing net farm incomes and ever increasing production costs. Again, we see the spectre of the cost-price squeeze looming its ugly head.

I have never been one of those to take a negative approach in this House in any debate, particularly in the area of agriculture. We ought to look at the problem of

declining farm incomes, a problem which is serious at the moment and will be serious in the days ahead. According to statistics and reports at hand, the situation is serious. I have before me some statistics that were given to us recently in the Standing Committee on Agriculture. They relate to the Manitoba farm scene. May I quote from these statistics. In 1968, farm cash income in the province was $364,816,000. In 1969 that figure was $351,941,000. The 1970 figure shows a decline to $341,957,000. Now, let us look at farm net income figures. They are what this debate is all about. In 1968, farm net income in Manitoba was $162,666,000. In 1969 net income had declined to $117,090,000 and in 1970—listen to this—had further declined to $78,631,000. There has been a decline of over 100 per cent in three years. I do not have the figures for Saskatchewan at hand, although I questioned one of our witnesses before the committee, and he said that net farm income in Saskatchewan had decreased last year by $200 million.

If you go back to the period 1962-63, when we developed policies to move western grain to world markets, you will find that Saskatchewan farmers, as well as prairie farmers in general, enjoyed an average net income of about $4,800. Last year, according to figures at hand, the net income of our farmers declined to about $1,000 per farm. That means, of course, that some farmers earned more than that; nevertheless, a large number of farmers did not enjoy any net income at all. That is precisely why we have no alternative except to wholeheartedly support this plea for an emergency injection of $100 million into the farming economy at once.

We passed through a similar emergency just before the party I support took office in 1957. There was a very serious farm problem at that time, too. All kinds of grain was piled up in every elevator, in skating rinks, in farmers' bins, in terminals and so on. We were not selling enough grain and, consequently, the farmer was caught in a serious cost-price squeeze. We met that emergency by doing something similar to what is suggested here. We pumped $45 million into the farm economy. There was another temporary emergency in 1959, and we again put another $43 million into that economy. The same thing happened in 1961 when there was a drought, and another $45 million was pumped into the economy, to tide farmers over the emergency while the government went about developing long-term policies relating to trade as well as the selling of grain.

We entered into trade agreements with countries like Japan involving textiles and with other countries, Poland, Czechoslovakia and countries in South America. We sold wheat to China in 1961 on a long-term credit basis, and this put our agriculture into a viable economic position. Liberal governments followed those policies for several years and rode along on the economic band wagon which had been created without developing new policies.

Then, the International Wheat Agreement collapsed in 1968. Actually, that collapse was heralded in the spring of 1967, when it was agreed that we would come up with a new grains arrangement on July 1, 1968. That arrangement did not materialize. I wish, in that connection, to cite some other statistics and figures which were presented before the Standing Committee on Agriculture this morning. They relate to the total value of all marketings and go back to 1949-50. From 1949 on the picture became progressively better until 1952-53, after which a decline set in which, according to the figures, continued until 1956. There was a slight increase in marketings in the period 1960-61 when my party took over, and these figures began to improve. By 1960-61, as a result of trading policies we instituted, we were able to increase incomes with respect to all grain marketings to $708,570,000. Those incomes increased until, in 1966-67, they reached $1,353,172,000. Then began a decline, and in 1969-70 those marketing values were down to $855,210,000.

Those figures support what I have been saying. Gross farm income and, particularly, net farm income has been declining. The picture will get worse because, as a result of the Lift program of last year, farmers were coerced into reducing wheat acreage by 12 million acres. If you accept a nominal figure of, say, 30 bushels of grain grown per acre and consider that that amount was not grown on the acreage taken out of production, you will see that about 360 million bushels of grain that could have been produced were not produced. If that grain were sold at $1.50 per bushel, a minimum price, it would mean that the farm economy would have received over half of $1 billion. It has not received that amount.

I do not think anyone in this House can ever say that we have thrown grain into the ocean or been forced to sell it at fire sale prices. It seems that mother nature enters the picture; there is an upset in conditions in other parts of the world and the result is that we can find markets for our grain. In any event, the potential income from grain sales in western Canada has been reduced by half of $1 billion. This loss we can never regain. It is only reasonable that, in the face of emergencies, we should take steps such as have been suggested this afternoon and inject $100 million into the farm economy. We should then develop an over-all agricultural policy that will put our agricultural industry into a viable position and give hope to our farmers. We must create an optimistic outlook for the future.

Bearing all those things in mind, I should like to relate to the House a few facts. First, what is the problem? Canadian agricultural policy must be related to the business of agricultural recovery. National economic policy has been guided by five goals. They are full employment, a high rate of economic growth, a reasonable stability of prices, a viable balance of payments and an equitable distribution of rising incomes. From this point of view, Canadian agriculture has been a leading achiever and contributor. However, today it is in deep trouble and its problems relate to the quality of Canadian life and the horizons of Canadian development. Last year, Canada became a net importer of food products. Approximately two-thirds of Canada's farm families live below the poverty line. The sale price of farm products is not keeping pace with the increasing costs of food production. The net income of the farming industry continues to decline.

• (3:50 p.m.)

To overcome this trend, we should have a goal. The skill of our farmers, the generosity of our land, and the real and potential value of agriculture to the whole economy means that we must remake agriculture as a vital industry. Our goal must be a properous industry in all respects; achieving effective domestic and export markets and successful competition for manpower, capital, land and transportation facilities needed in agriculture.

The framework within which we must accomplish this goal includes: First, the ready adoption of new technology and new dynamics in marketing and processing; second, the establishment of a system of domestic marketing of agricultural goods which will facilitate the freest possible movement of goods between the ten provinces of Canada; third, the continued development of viable communities; fourth, the security of a minimum level of income. There has been a lot of debate in the House and in committees recently about the minimum level of income. This level of income cannot be established at a poverty level. It has to be based on a net income so that the farmer can have an economic position which will compare with other sectors of our economy. The fifth point is the lowering of the costs of production and marketing in order to compete effectively with other producers; sixth, the stabilization of input costs in order to achieve net income stability and reasonable prices to the consumer; seventh, the freer movement of persons between sectors of the farming and non-farming community.

Most important, the framework must take into account the human dimension. The Progressive Conservative party believes that government mechanisms of control, regulation and limitation must be viewed with caution. To control supply and regulate prices would inhibit the adoption of new production techniques to the ultimate detriment of the whole economy. There must be room for flexibility and individually—for freedom—in pursuing broad goals and humane rates of change.

To accomplish this, Mr. Speaker, I have several guidelines I would like to set out. For us, agricultural adjustment is the process of correcting the inequalities in incomes and imbalances of resources that are constant dangers in a dynamic economy. Government agriculture policies have left approximately two-thirds of our farm families below the poverty line. In other words, about 200,000 Canadian farmers face drastic adjustment problems. The challenge of adjustment, of premeditated change, must be the fundamental concern of agriculture policy. As a first step, we would construct a Canadian agriculture development design to permit national development and revitalization of this industry within the framework of regionally integrated and highly flexible national planning. This will not be a design for coercion or retrenchment. It will be a strategy for equitable and constructive growth.

The present government's policy of farm management is not acceptable. For us, an agriculture policy which presumes to have the power to move people out of agriculture, and to pull resources out of agriculture, is doomed and rightly so. The most efficient adjustment will rest on a program designed to help the individual farmer act to satisfy his own particular goals. The federal and provincial governments, together, must develop a national information system designed to provide the individual farmer with the information needed from farm and non-farm sources in a format acceptable to individual farm decision-making. This system would provide information on future prices of both inputs and products, information on institutions affecting individual farm operators, such as credit institutions, insurance and marketing arrangements and information on non-farm employment opportunities and non-farm living conditions, including training and retraining opportunities.

Such an information system would build a field staff whose primary purpose would be to concentrate on major adjustment decisions and farm management advice. It should ensure expanded capability in university departments of agriculture economics to train the people required for this field staff. It should start training and retraining programs for all who want to become better farmers and farm workers, or to qualify themselves for non-farm jobs. Manpower training programs have been less available to rural than urban people. Perhaps mobile manpower units should be introduced to rural areas. Retraining programs which do not depend on the individual leaving his rural community must be established. Programs in tourism and farm labour are needed and could be invaluable for existing communities and income improvement.

In the field of marketing, this government's policy is supply, rather than market oriented. Yet the greatest potential for improving the state of our industry is in charting the most profitable direction for expansion, rather than contraction, of our agricultural and food industry. I repeat, yet the greatest potential for improving the state of our industry is in charting the most profitable direction for expansion, rather than contraction, of our agricultural and food industry. New guidelines are required to develop programs to assist producers through extended market and technical information, and develop programs to achieve a stronger domestic and international orientation in the agriculture industry. A marketing policy should draw together all facets of the agricultural and food industry to develop co-ordinated strategies to move the maximum volume of produce at the best possible return.

The choices we must now face are related fundamentally to these conditions. For example, an objective of our foreign aid policy is to encourage developing nations to become agriculturally self-sufficient. In terms of ecological balance, is it appropriate to assist India to sear her soil to feed her people while Canadian soil, with greater and safer capacity, is being taken out of production? Only with a view to optimum global development and population and ecological planning can the parameters of our nation's trading goals be constructed most fully and responsibly.

Mr. Speaker: Order, please. I regret to interrupt the hon. member, but his time has expired.

Suggested Payment to Western Farmers

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the motion before us today is in the name of the hon. member for York South (Mr. Lewis). In essence, it calls for two different things. It calls for an immediate injection of cash into the western economy, an injection that is unconditional—and will go out to the western farmers immediately. Second, it expresses concern about what is happening in western Canada today to the rural way of life or, as it is called, the life style.

This is a no-confidence motion in the government. It is very valid. There are many areas where the government is not fulfilling the job of governing the way it should. One of the most important is with regard to farmers and agriculture, particularly the grain farmers in western Canada. To prove my case, I need only quote only a few statistics from the Dominion Bureau of Statistics that have been released by the federal government. Net farm income in Saskatchewan fell by about 56 per cent between 1968 and 1970. In terms of dollars and cents it fell from $462,348,000 in 1968 to $202,718,000 in 1970. This represents a decline of some 56 per cent in net income for grain farmers in the province. This is a startling figure even to those who know nothing about the western economy. It is startling that any industry or group of people should suffer a decline in income as severe as that in two years.

• (4:00 p.m.)

Throughout Canada generally, farm income has dropped severely in the past two years. In 1968, when the present Prime Minister (Mr. Trudeau) assumed power, net farm income was $1,714,470,000. In 1970 it was $1,198,400,000. As the hon. member for Qu'Appelle-Moose Mountain (Mr. Southam) said, the net income the prairie farmers is getting on an average after expenses have been met is about $1,000 a year. If this does not convince even people who know nothing about agriculture that farmers are facing a severe problem, then nothing will. Almost all the grain farmers in western Canada are today living below the poverty line despite the fact that they know how to manage their farms, despite the fact that agricultural productivity has increased at a faster rate than in any other industry. These statistics alone show that something should be done immediately to get more cash to the farmers so that they can carry on production.

The motion before us calls for the immediate injection without conditions of $100 million into the economy of western Canada. Most farmers will agree with us in this regard. The government may say: We have a bill before the House, Bill C-244, under the terms of which $100 million will go out to the farmers. Mr. Speaker, the $100 million mentioned in that bill is tied in with a stabilization plan to which all three major farm organizations are opposed. We are faced with an attempt to blackmail the farmers into accepting this stabilization bill before they can get—

Mr. Speaker: Order. I have to interrupt the hon. member. Members who have taken part in the debate until now have respected the suggestion made by the Chair that we should not inject into this discussion the issues raised by Bill C-244, which is before the House. To do so would involve repetition of a debate which has already taken place, which is proceeding in committee and which will be resumed in the House in due course. I would think the hon. member for Yorkton-Melville (Mr. Nystrom) would want to follow the good example which has been set for him to emulate during this debate.

[Mr. Speaker.]

Mr. Nystrom: Thank you, Mr. Speaker. I shall be guided by your words of wisdom. The motion before us calls for the injection of $100 million into the western economy as well as expressing the concern which is felt by the whole rural economy of western Canada. A whole western way of life is being threatened. The future of the family farm and the rural community are in doubt. Anyone who travels around western Canada as I have done in the last couple of months finds that many farmers have been forced to leave the land because of their failure to make ends meet. Many of those who are left are living below the poverty line.

It is not only the farmers who are in serious trouble. Many of the western towns are rapidly becoming ghost communities. The Minister of Manpower and Immigration (Mr. Lang) said this morning that such a statement was nonsense. It is not. One can go to many towns on the Prairies where business places have closed down because farmers are no longer able to buy the commodities they used to buy in the small towns and cities. People are unemployed, people are moving out. We are told that last year more than 30,000 people left Saskatchewan. Most of this migration was due to the sharp decline in farm income. The situation in western Canada amounts to a real emergency and this is why we must take immediate action before more farmers are forced to leave the land. Today, the new member for Brant (Mr. Blackburn) took his seat in the House. Hon. members who go to Brantford will find many unemployed people there; they lost their work because of the shutdown of farm machinery plant in the city. This is one example of the effects of the severe cutback in income which the western farmer has suffered.

What we see out west is a threat to a whole way of life, a threat to something we should be preserving and stimulating. Instead, we are permitting it to be destroyed before our eyes. What happens to the individuals directly concerned? What happens to farmers who are forced off the land or to businessmen who are obliged to close down their businesses in rural areas? Many of them find their way to the large cities where they find it impossible to get jobs and eventually find themselves on welfare rolls. What type of life is that for them and their families?

A few years ago the late President Jack Kennedy called for a study of urban violence in the United States. It was reported that an important source of violence in American cities was people moving from rural areas to urban centres, people unable to find employment who felt alienated and out of place. We should not allow this to happen in Canada; we should not encourage such consequences by expediting the movement of people from the rural to urban sectors.

We who come from the west are sad to find these communities closing down, little towns whose populations are full of despair, towns in which there seems to be no life whereas formerly there was bustle and activity. What must be done to start the economy rolling again? I was very happy about the announcement that a large wheat sale had been negotiated with the Soviet Union. This underlines once again the value of the Wheat Board and the orderly marketing of grain. Outside of this, two or three things must happen. A short-term injection of cash is needed if western farmers are to be saved. The farm organizations are calling for $250 million. I do not think they are being too greedy. They need this money in a genuine and sincere way. I should like to see us put this much money into the economy of western Canada this month and during the summer, so that many of these farmers who are otherwise going to be forced off the land can stay in business.

• (4:10 p.m.)

If we cannot accept this proposition, then let us accept the terms of this motion which seeks to inject a minimum of $100 million into the western economy. This would greatly help many farmers across the Prairies. But this is not the whole solution; it is merely a short-term solution, and it is about time the Department of Agriculture and other departments discussed the long-term ramifications of agriculture.

A task force has been studying the agricultural industry in western Canada and two or three of its recommendations terrify me and many others in the west. For example, the task force suggests that two-thirds of our family farms should be eliminated, mainly in the name of efficiency or of making larger profits faster. This is not the type of path that we should follow, and it is one reason that our party has moved the motion it moved today, which underlines that the life style of western Canada and the rural communities is being threatened severely.

The task force also talks of there being less government involvement in the agricultural field, and I do not think this should be the case either. I think the farmers of western Canada and across the country must be helped in a more meaningful way if they are to survive. To do this we must make important decisions immediately. The longer we wait, the faster the owners of smaller and middle-sized farms will be driven off the land. If we simply allow the recommendations of the task force to be implemented and continue in an unplanned way, as we are at the moment, then I forecast that in 25 years there will only be a few large corporate farms in western Canada, with the towns and villages becoming giant service centres for those farms. I do not want this to happen. As I said before, there is a quality to rural life. Our farmers are making a tremendous contribution to Canada. Our cities are too over-populated and polluted now, so why this rush to push everyone into large cities?

The first important decision that we must make as a country, as a government and as a Parliament, is that we must save and stimulate the family farms in the rural communities. This would represent a reversal of government policy. During the last few years, I think the government has intentionally been trying to drive the smaller producers off the land and into the cities. We must decide to preserve and to stimulate family farms and the rural communities that go with these farms. Not only are family farms disappearing, but rural post offices are being closed down, station agents are pulling out, elevators are being shut down here and there across the prairies, and rail services are becoming less and less frequent. Our whole rural way of life is being severely challenged.

If we are to make any meaningful, long-term headway I suggest the government must think very soon about really significantly supporting agriculture in Canada, as agriculture in many other countries around the word is being supported. We must be prepared to give support to a guaranteed price for certain agricultural commodities, and a good example of this is hog prices. This morning my leader spoke about an invoice that a farmer had shown him. I was with him on that occasion and this invoice was given to us by a farmer near Prince Albert. It showed that he had received only $2.90 for a fully grown hog. This sort of thing should not be permitted and there is no reason why it should occur. There is simply no reason why the farmers must bear the brunt of price fluctuations that occur in the market. They should be given a guaranteed price so that in the spring they will know what sort of income they can expect in the fall. This sort of thing is being done in other industries and there is no reason why it cannot be done in agriculture.

We must also soon accept the fact, as all farm organizations have, that there should be a two-price system for wheat in Canada if we are to help those on small and medium-sized farms. This can be done with hardly any extra cost to the consumer. The price of bread does not depend on the price a farmer receives for a bushel of wheat. With a guaranteed price and a two-price system for wheat, many farmers would be in a much better position than they are under government policies today.

We must also do something about the high cost of production and farm machinery. In this regard, I would suggest that we implement some of the long-term recommendations made by the Barber commission regarding the cost of farm machinery. There is no reason why the price of farm machinery should be so high or why the profit margin of farm machinery corporations is so excessive, a point made by the report of the Barber commission. This does not have to be the case, and it would not be the case if we had a government that made sure farmers could buy machinery at lower prices.

If we are to do something about saving and stimulating the rural economy, the farmers must have the power to control their own destinies. After all, this is what democracy is all about. Democracy is not simply electing a government and allowing it to do everything it wants for four years, then having another referendum. Democracy brings all groups in our society into a position of real power and authority. I do not see why our farmers should not have some say about the price they receive

for a bushel of wheat or any other commodity. After all, other sectors of the economy have this say. They are able to set prices and determine income received, either through collective bargaining or by setting their prices in a certain manner. But our farmers can only have such say if the government trusts them to make important decisions that affect their own lives.

Our farmers must also have a say about the price they pay for their supplies and be able to control the cost of their production. For example, why cannot farmers negotiate the price of farm machinery or have some say over what they pay for what is needed to produce a bushel of wheat? I suggest the government should start listening to the recommendations that farm organizations are making. If these were implemented, we would have a much stronger rural economy in Canada. I plead this point sincerely, not just on behalf of our farmers but for the entire country. If we have a viable agricultural economy we will have a much more viable and strong economy across the land. We would not have lay-offs in Brantford or in other eastern Ontario cities where farm machinery is manufactured. We would not have so many people across Canada looking for a purpose in life if there were jobs for them. One way of providing these jobs is by having a viable rural economy.

I suggest to the members of the government party that this is a very realistic motion and represents the very least we can do for western farmers. If it were adopted, we would not be giving them a handout but making an investment, an investment not just in the farming communities but in Canada as a nation. Indeed, far from being a handout, this money is something the farmers deserve. They receive less now per bushel of wheat than they did in 1946. I do not think there is any other sector of the Canadian economy that can make that claim. Yet this is a harsh reality, and the government party should be very ashamed of it. I shall be very interested to see how government members, especially those from western Canada, vote on this motion, since they know as well as I that western Canada is in very serious financial trouble. If some of the suggestions I have made go unheeded, the family farm and our rural life style as we know it will cease to exist before too many years have passed.

• (4:20 p.m.)

Mr. Joseph-Philippe Guay (St. Boniface): I want to assure you, Mr. Speaker, that I will not be speaking about farm machinery but will stick to the motion before us. I have to agree immediately that there is a problem regarding farmers' cash receipts. I am very concerned about some of the comments which have been made in the House this afternoon. Many times while I sat here as a backbencher I wondered what it would be like if I were on the other side trying to criticize the policies of our government which benefit the Canadian people. Never in my life would I ever paint a picture such as has been painted this afternoon by some members of the opposition, then go back to my constituents and try to convince them I was representing them properly in the House. All I heard this afternoon was doom and gloom. There was not a good thing that could be said in respect of any of the policies that have been implemented in the past to the benefit of farmers in western Canada. I am equally as concerned as hon. members who have spoken regarding western Canada, its unemployment and other problems. When a dreary picture is painted of everybody deserting the farms, as we have heard, I say to the hon. member he should go back west as often as some of us do to make sure what is going on in his area.

Another thing I am concernerd about in speaking to the motion is that it is very broad and not realistic. This is not a problem which has come up overnight, but has been in existence for some time. If the socialists had really wanted to speak for the people by moving this motion, they would have had their researchers make a thorough study in order that they would have been able to make some suggestions regarding rules, regulations and procedures for the distribution of this $100 million. The manner in which the motion was drafted just goes to prove that it was not intended to go any further than it suggests: Let us give the farmers and agricultural people in western Canada $100 million and this will solve all their problems. This will not solve all the problems.

Mr. Nystrom: We didn't say so.

Mr. Guay (St. Boniface): You had a chance to speak and you can get up again.

An hon. Member: You implied it.

Mr. Nystrom: I never said it.

Mr. Boulanger: Don't start any trouble now.

Mr. Horner: Nothing we can't finish.

Mr. Guay (St. Boniface): I should like to suggest that in some of the legislation we have proposed, without naming any of the bills, there are rules and regulations which would help to solve some of the problems the farmers face. In this way, sudden drops in gross receipts could be avoided in the future. Some of this legislation would form part of the stabilization program, and if such a sudden drop occurred payments would be made.

The hon. member for Yorkton-Melville (Mr. Nystrom) made reference to the net income of farmers and quoted DBS figures. He suggested they are only getting 56 per cent of what they used to receive. One of the things he has overlooked is the fact that over $200 million was transferred from the Treasury Board to the grain economy. This is more than has ever been paid out by any government in any one year before.

Mr. Boulanger: They know that, too.

Mr. Horner: Where did it go?

Mr. Guay (St. Boniface): I also agree with the references hon. members made to grain sales, namely, that the latest sale is the biggest of any one year. Grain sales this year may prove to be the best yet, because this year is far from being ended. The largest grain sale ever made was the sale of 685 million bushels, and we could very well sell more. I am not a minister, but I suggest that we

will exceed that this year. I am sure hon. members will have to agree with me before the year is over.

Mr. Horner: Don't stick your head out too far.

Mr. Boulanger: Don't be so socialistic, Jack.

Mr. Guay (St. Boniface): I believe the government is really concerned with the problems of the farmers.

Mr. Nystrom: Tell that to the farmers.

Mr. Olson: We have.

Mr. Guay (St. Boniface): I am not one of those who believe—

Mr. Horner: What do you believe?

Mr. Guay (St. Boniface): I am not one of those who believe, like some hon. members over there, that this motion involves a real issue. I would even question their sincerity when they use delaying tactics, whether in the committee or otherwise. I should like to say that this government, through its present and proposed policies, will prove in the future to have been one of those most concerned with agriculture problems. Statistics will show that this government has provided more money than has ever been given out in any one year.

When some of the members of the opposition are discussing the needs of western Canada, why do they not at the same time suggest a way to bring in the moneys being spent and that the government contemplates spending? In that way I am sure the contributions could be increased and the farmers would get more than is suggested in the motion.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, the leader of the NDP referred to himself as a "city feller" and explained that he did not wish to appear to be misrepresenting himself as an expert on farming. Of course I, too, have to confess that when it comes to the complexities of making a crop grow, I am strictly an amateur, although I should point out, with some degree of reality, I have had some modest success as a gardener. While the hon. member for York South (Mr. Lewis) draws the line at calling himself a "city feller", I might be inclined to go a little bit further and describe myself as a bluenose by birth with a green thumb by practice.

Like the leader of the NDP, I feel it is imperative that all Canadians in all walks of life take an active and concerned interest in the affairs of Canadian agriculture today, not only from an economic point of view but from a human point of view as well. I have tried to follow what I think is good advice in this regard. I had the good fortune of growing up in a small town which was the centre of an agricultural community. I was well aware from the start of the contributions that farmers make to the general community life, the general provincial life and the general national life. Unfortunately, I have also been able to follow rather closely the many problems that have developed throughout the years, including problems of adjustment.

Suggested Payment to Western Farmers

In my original part of Canada, the Atlantic provinces, there were problems which one could follow through Quebec, Ontario and into the west. There has been a tendency on the part of this government to write off the farm. It might not be strictly accurate to quote the Prime Minister (Mr. Trudeau) as asking: "Why should I sell your wheat", but this was pretty indicative of the attitude displayed in the west, and that cannot be denied.

I have had an opportunity to visit some farms in the west and I was very struck by the qualities of these people, their capacities and their problems. I had the opportunity of living on one farm for a while last September. I was very struck by three aspects. First, there was a very strong feeling on the part of the farmer for his farm. You could almost feel the attachment between that farmer and his farm. Secondly, I was impressed by the extent of the efforts which had been made by that farmer and other farmers in his area—and this is substantially a grain farming area—to diversify. I know many people in the east think that the western farmer simply grows wheat and expects it to be sold. It was an eye-opener to me to realize the extent of the diversification which is taking place, even on what are basically grain farms in the west. I had an opportunity to visit an elevator there. I was shown samples of crops which had been delivered up until a couple of years ago. I saw the great range of crops now being delivered to that elevator. I believe it is very important that people in the eastern part of Canada realize the extent to which the western farmer has attempted to diversify and the extent to which he has worked to try to solve his own problems.

• (4:30 p.m.)

The third thing which impressed me—and this obviously was an exceedingly well-run operation in respect of which great efforts were made toward diversification—was the size of the investment in the farm. The farmer showed me his accounts, as audited by the people in the minister's own Department of Agriculture. The size of the investment was striking. It was very clear that this man was living on the depreciation of his equipment. He was hanging on. I could not help but ask myself how long this situation could continue. I believe this was a typical example of an excellently run farm. I could not help but wonder how much more difficult it must be on smaller farms which are not in as fortunate a position. Here, we had a substantial operation, fierce determination, hard work, a love of the soil and a tremendous pride. I could not help but think how important the person who operates such a farm is to Canada.

I knew something about farmers in the east. I had not had such close contact with farmers in the west before. I realized how much these people mean to Canada, how terrible it would be if they went under and how important it is that they be helped, not in the sense of things being made easy—that is not what they expect—but in the sense of being assisted so that they are able to work out their problems. We have heard references to figures in this House today, and at other times, concerning the drop in net farm income in the west. This does not apply

merely to the west, although the difficulty there is perhaps more striking than in the rest of the country. What we must bear in mind is that this drop in income does not affect only the farming economy. As the minister knows, it also affects the whole economy of the west and the rest of the country. It affects the suppliers, the merchants and the whole basis of our economy. It is important to bear in mind that we are really talking about a subtantial segment of the whole economy. The farmers have been having a bad time with increasing debts and with an inadequate program as well as a very inadequate attitude on the part of the government.

This is not the time to talk about the adequacy of the government's programs and the switch from a storage support program to an inadequate grain stabilization program. But it is the time to emphasize the importance of helping farmers and encouraging them to move ahead. This is the reason I wished to take part in this debate today and to say something as fiercely as I can. Clearly, the passing of this motion today would of course, in a sense, simply be a palliative. Certainly, it would not really solve anything. I do not pretend that the payment of $100 million to the farmers would in itself solve their problems, although I believe it would give them a real lift. I want to emphasize the need for a different and wholehearted approach rather than the hesitant approach to farming and agricultural policies this government has adopted. What is shocking and revolting to me is that after three years under the present government, years in which there have been no major natural catastrophes, we are being forced to consider a motion of this kind in this House.

This all points up the fact that this government in itself is a catastrophe from the point of view of the worker, the businessman, the hundreds of thousands of unemployed who are walking our streets and the farmer. With this government in the saddle there is no need of a natural disaster. It seems to carry its own disasters with it wherever it goes. That is why there is a need for this motion or one like it. After three years of rule, or rather misrule, this government has dragged down agriculture just as it has dragged down the economy as a whole. Three years ago promises were made of a just society and of prosperity ahead. Just like other people in Canada—the city dweller, the small businessman and all others who made the mistake of believing the slogans or who even if they did not believe them were forced to live with them in any event—the farmers have been losing their confidence in a government which has clearly lost its way. This is not confined to western farmers. This is a feeling which unites farmers from the east and from the west.

Certainly, there has not been unanimity among farmers. Certainly there are differences between regions and between producers of various kinds of farm produce. But one reason for these problems surely is the failure of this government, after three years, to come up with any sort of arrangement that is acceptable to the agriculturalists and the livestock producers of this country.

An hon. Member: What do you suggest?

Mr. Stanfield: They seem to be in trouble over there, Mr. Speaker. I do not know whether it is their consciences we are hearing from now. Instead, the solution of this government has been to divide, the better to rule; to divide the farmers among themselves and to divide them from the men and women who live in the cities and who curse the high cost of living, often unfairly blaming the producers of the foods they are buying. The guiding principles of the government in relation to agriculture are expressed time and time again in terms such as "viability" and "rationalization". It is bad enough that their jargon is based on economic pessimism. But it is infinitely worse that this kind of lingo totally ignores any humanistic approach to agriculture as a way of life.

Surely, the report of the government's task force on agriculture is one of the most pessimistic pieces of literature ever authored. It should have been entitled "grim expectations". I think the Minister of Agriculture might very well take a look to the south of him; he might take a look at the attitude of the United States government towards agriculture and its determination to sell. I think the effort on the part of this government to get out and sell has been very limited compared to the efforts of the United States. The record of the United States indicates that there is an opportunity for success if the government, when it has things to be sold, would only get at it.

• (4:40 p.m.)

We cannot let the government get away with this sort of thing any longer. We have to point out to the men and women who are suffering from economic recession in the cities that the farmer, too, is suffering. The point cannot be made too often. The policy of the government for the cities and towns has been, of course, to slow down the economy. In the country, on the other hand, it is rather difficult, even for this government, to slow down the growing season, so it has just decided to weed out the farmer instead.

The Minister of Agriculture (Mr. Olson) denies that the government intends to drive people off the farms, whether or not they are efficient. All I can say is that if he does not intend to do this, he had better look pretty quickly at the policies that he is pursuing because that is the effect that these policies are having. If that is not the intention of the present government, then what we have is just another example of sheer incompetence and blundering by this government.

Some hon. members: Hear hear.

Mr. Stanfield: This is a government that is going blindly along, crashing into pothole after pothole on a journey into nowhere, a case of pothole luck for people whom it is dragging along. I hope, as the hon. member for St. Boniface (Mr. Guay) said, there will be great grain sales this year. I hope that all sorts of new records are set and that this government and its agencies will really go out and sell. But this government tells us it is not driving people

off the farms. Will it kindly tell us what it is trying to do? There is no evidence of a clear policy leading in any direction. Once again, in the field of agricultural production, we have a government that seems to be proceeding without a plan but trusting blindly to luck. This is not good enough, and that is why I endorse this resolution wholeheartedly to call attention to the need for this government to get going, to move ahead and to help the farmers who want nothing more than to be in the position to help themselves.

[*Translation*]

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I see that the agricultural problem is not settled, as it is discussed even in Parliament on many occasions with a view to helping the government to the greatest extent possible in finding the proper solutions to promote the agricultural industry, not only in one area but all over the country.

I feel that the motion before the House shows that a really difficult situation exists particularly as regards the western farmers. However, the intention of the sponsor of this motion was to emphasize a situation which may be to the disadvantage of the eastern farmers. The mover has therefore proposed as a solution that the farmers be granted an amount of at least $100 million over and above the farm assistance programs.

In taking part in the debate on the motion now before the House, I should like, once again, to suggest to the government that its agricultural policy is not entirely fair to farmers, and that the farmers' net income is not high enough to enable them to get their fair share of the national product. I do not mean by this that the government is not doing anything, that the whole of his policy is to be condemned, but that not enough is done to give farmers, who devote their life to tilling the soil so as to feed mankind, a chance equal to that of citizens who work at other activities of the Canadian economy.

I should like, in this debate, to suggest some solutions which may perhaps seem ridiculous, because some will feel that the time has not come to put them into practice, but, frankly, I consider that means must be taken, other than the present ones, to solve the problem.

In the summer of 1970, after having visited several areas in the Prairie provinces, and after having talked with many farmers, I finally understood that several of them are in very difficult financial circumstances. They have a hard time finding help for the farm; this forces them to get more equipment, of the most modern and expensive type, which plays havoc with their budget and increases the cost of production.

During my trip, I noticed some modern equipment in farm yards, and while speaking with the farmers, found out that they had to use more modern means to do their work at a reasonable cost, because they found it next to impossible to get farm hands.

The farmer, who for that matter is not responsible for price increases, is nevertheless penalized for he must pay a higher interest on his loans. He must also pay more and more for the components of his production, without getting more for his products. Therefore the cost-price squeeze becomes tighter, which contributes to make life more and more difficult.

On the matter of interest, I am convinced that the Minister of Agriculture (Mr. Olson) will announce in due course a reduction of interest rates. I would welcome such news. The opinions we voiced when interest rates were raised have finally been heeded. Interest rates must be lowered even further. This will automatically help farmers to operate at lower cost.

• (4:50 p.m.)

There are farm problems in all Canadian provinces. That is why the provincial and federal governments must co-operate fully so that Canadian agriculture may flourish as much as possible.

There is a grain surplus in the prairies and in order to reduce stocks on hand, the government promotes pork meat production, which results in competition between eastern and western farmers, in short by pitting them one against the other.

As for me, I cannot blame the western farmer who finds himself unable to sell the grain stored on his farm and raises hogs to use up his production. But when that production appears on the market, there is a clash between western breeders and farmers because the latter cannot produce on a competitive level. In fact eastern pork producers are not in position to match the low costs posted by western producers since even with current subsidies for feed grain transportation—which are not high enough—the eastern producer is producing with a disadvantage of $3 to $5 per hog. The purpose of the current government policy is therefore to pit the regions one against the other and this is unfortunate.

Let us see now what is going on in the field of eggs and broilers where, because of farm surpluses which in fact are not actual surpluses, underconsumption prevails. This situation is described in the reports of the Economic Council, so this is not something I dreamed up. The Council stated that many Canadians have inadequate income and are underfed. Let us call a spade a spade. Instead of mentioning surpluses we should speak of underconsumption. In fact a great many families are living in privation because they cannot buy what they actually need. I do not mean luxury but things essential to life.

We are currently witnessing a continued decrease in the purchasing power of low income families. In fact, in Quebec, it has been found that by virtue of the implementation and the interpretation of the new legislation which was enacted November 1 and which permits the state to help needy people, the level of these pensions is generally lower. I receive many letters from people who complain, most often rightly, that their pension has decreased. Moreover the unemployment rate keeps rising, which results in a reduction of the purchasing power of low income people.

I do not think that the pensioners and the unemployed have spent $30 per week to feed their families, as

indicated in a report from the Dominion Bureau of Statistics, which I should like to quote in part:

AVERAGE FOOD BUDGET OF $28.80

In 1969, each Canadian family spent $28.80 per week for food, as shown by an inquiry carried out by the Dominion Bureau of Statistics.

The largest amount ($31.70 per week) was spent in the urban centres of the province of Quebec, and the lowest ($21.40) in the rural areas of the Prairie provinces.

According to a per capita computation, the highest figure ($7.40 per week) for the rural sector was found in British Columbia, and the lowest ($6.03 per person) in the Atlantic provinces.

Such data prove that consumption is directly linked to economic conditions, in other words, to the take-home pay, and the family spends more or less accordingly. I now resume the quotation:

As for the cities, Ontario ranks first ($8.83 per person) whereas the Atlantic provinces come last on the list ($7.31 per week).

This is the first such survey made by DBS for the past twenty years—

So, this is not new.

Every dollar spent on food can be broken down as follows:

Red meat, poultry and fish, 28 cents; fruits and vegetables, 13 cents; cereals, bakery and confectionery products, 10 cents; dairy products (including butter), 13 cents; food oils and other fats, 2 cents; eggs, 3 cents; frozen foods, 1 cent; miscellaneous, 13 cents; foods prepared, bought and eaten outside home, including board, 17 cents.

This means that in order to bring consumption to the required level, we should increase income in a different way than it has been done to date. We shall have to use new methods if we are to meet this objective and put the Canadian economy back on its feet, so that all Canadians be treated in a fair way.

And to increase the farmer's income, the greater part of our domestic market would first have to be reclaimed in order to dispose of our farm products. This would become possible in part by providing for a direct increase in consumer purchasing power, and for a guaranteed minimum income at all times during the year. Such steps would help maintain a better economic balance and would result in a more regular consumption on Canadian products, whether they be foodstuffs or anything else.

This guaranteed minimum income should also be available to farmers. Then, whatever the prices, the rural people would also be assured of a guaranteed minimum income and instead of having to cope with major difficulties which get worse from year to year, they would at least hopefully look to a guaranteed minimum income.

For this guaranteed minimum income to be paid, we would have to do the opposite of what is now being done when social benefits are allowed to the various classes of our society. When people are taxed, they find themselves in a difficult situation. Indeed, two years ago when the government moved to boost old age pensions, we did expect a new levy to cover the costs involved. We were in a very embarrassing position. We were in favour of higher pensions for old people but, on the other hand, we did not want any new taxes or an increase in those already existing.

[Mr. Lambert (Bellechasse).]

Lest we be accused of being against old people, we had to accept new taxes. That is why, in my view, we should find new formulas to finance the assistance programs based on the production potential of Canada.

If our country is unable to produce enough goods to meet the demand of Canadians, it would be useless to pass social measures providing for higher income if Canadians were unable to purchase the goods they hope to get in order to satisfy their needs.

In order to meet the costs of this guaranteed income, the government should resort to the Bank of Canada. There will again be people to say: The Creditistes are always talking about the Bank of Canada. Indeed they do and they are going to talk about it. The government talks about taxes and we put up with that! Let us do the same then when we honestly advocate reforms. We have to use the Bank of Canada. We use it to other ends. Why should we not use it to such noble ends as the solution of the farmers' problem, by giving them an opportunity of selling their products and by increasing the income of the consumers in a logic and fair proportion?

The Bank of Canada would then be authorized to issue new credits as national production, based on the work of Canadians, increases. Without production, there would be no new credits!

In any event, there would surely be an increase in purchasing power, and this recall of new credits would have to be done through taxation when production drops, in order to strike a balance as much as possible between production and consumption.

This has long been the objective of the Dominion Bureau of Statistics and of economists: to try to strike a balance between production and consumption so that the Canadian economy will be sound and people, in all sectors, well-off.

It is very important to make a careful appraisal of the total cost and of the advantages of a new welfare and guaranteed income policy, even from the standpoint of agriculture, because it is in that area that the voice of those who are really in need is less often and less loudly heard.

The motion now before the House suggests that the government should pay out $100,000,000 in subsidies, without conditions, and in addition to other farm assistance programs. This may seem a large amount but if it is spread over the last ten years when farmers were having problems, it only represents $10,000,000 a year.

In concluding my remarks, I wish to point out to the government that Canada is one of those countries which are not very generous toward agriculture. The United States are doing much more for their farmers and the Common Market countries are getting more liberal with their money, in fact, $3 billion were voted by them for farm assistance.

I therefore urge the government to do more for farmers so that they will cease to be victims of an obsolete system and will get their just share of the national income.

• (5:00 p.m.)

[*English*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order, please. It is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Simcoe North (Mr. Rynard) —Health—Inquiry as to appointment of national council; the hon. member for Vancouver-Kingsway (Mrs. MacInnis)—Health—Alleged use of stalling tactics to prevent abortion application being dealt with; the hon. member for Annapolis Valley (Mr. Nowlan)—Broadcasting—Policy on issuance of licences to agents or Crown in provinces.

GOVERNMENT ORDERS

BUSINESS OF SUPPLY

ALLOTTED DAY S.O. 58—NON-CONFIDENCE MOTION—GOVERNMENT AGRICULTURAL POLICIES—IMMEDIATE PAYMENT OF $100 MILLION TO WESTERN FARMERS

The House resumed consideration of the motion of Mr. Lewis:

That this House condemns the agricultural policies of the government which have severely reduced the income of western farmers and threaten the future of Canada's entire rural community, and, in view of the financial crisis of western farmers, calls on the government to consider the advisability of an immediate payout to them of a minimum of $100,000,000 without conditions and in addition to other farm assistance programs.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, it is indeed a pleasure to take part in this debate on a subject very close and dear to my heart, life in the rural communities of Canada as we presently know it. The motion before the House condemns the agricultural policies of the government which have severely reduced the income of western farmers and calls on the government to consider the advisability of an immediate payout to them of $100 million.

This motion was moved by the Leader of the New Democratic Party (Mr. Lewis). I am pleased to see the NDP supporting the concept of acreage payments. I do not want to be political, yet I can remember that when the government of the day in 1959 proposed acreage payments, the hon. member's group ridiculed the idea. The leader of that party said the amount to be paid was peanuts. Let me say quickly, Mr. Speaker, and one need not be a mathematician to arrive at this conclusion, that $40 million in 1959 about equals $100 million in 1970 if one takes into consideration the effects of inflation. In any event, it is pleasant to see the NDP supporting acreage payments, a concept well known to and firmly accepted by western Canada. It is regrettable that the government has tied its proposal regarding the $100 million payout to the provisions of Bill C-244. I do not

believe that Bill C-244 mentions, nor did the minister in charge of the Wheat Board in the statement made on October 29 mention, that $100 million.

Mr. Olson: The hon. member should look at the bill.

Mr. Horner: You will see many other things in the bill. I see the Minister of Agriculture (Mr. Olson) mouthing some words.

Mr. Olson: Look at the bill. That is what I said.

Mr. Horner: He is not as good at mouthing as the Prime Minister (Mr. Trudeau). I cannot understand what the minister is mouthing. It was a shame to see the hon. member for St. Boniface (Mr. Guay) rise and paint a picture of gloom and doom. He complained that the opposition was too severely criticizing farm legislation.

Mr. Olson: The hon. member's party was painting a picture of gloom and doom.

Mr. Horner: It is terrible that the government has to offer a bribe of $100 million in order to get a piece of legislation accepted. Surely, if the legislation has merit it should stand on its own feet.

May I deal with another aspect of this motion, an aspect very dear to my heart, that relating to our present day rural communities. I have before me a copy of the Manitoba *Co-Operator* of May 20, 1971. An article in it refers to the "Adjustment Program For Canada's Farms". It reads in part:

Details of the proposed agricultural adjustment or development policy of the federal government have been revealed in a paper prepared by the Canada Department of Agriculture. The paper said the federal cabinet has given approval in principle for the development and operation of a set of adjustment policies and programs of the general type outlined in the 20-page document.

The article goes on to outline these policies, and states that they come under three major headings:

—the first main group of policies will be designed to improve the ability of farm people to make adjustments required to increase the attainments of their personal goals.

Under the plan the individual farmer and his family would be provided with information and counselling services—

That is the first of these policies. The article continues:

A second sub-group of policies is designed to increase the mobility of land resources to facilitate outmigration of people from agriculture and the consolidation of farms within agriculture.

Some time ago the minister in charge of the Canadian Wheat Board, who is not present in the House, rose with all the indignation he could muster when we, in the opposition, charged the government with attempting to put farmers off the land. That was not the case at all, he said. If that is so, why has the program outlined in the 20-page document referred to been approved, and what is the meaning of "policies... designed to increase the mobility of land resources to facilitate outmigration of people from agriculture". If those words do not mean that the government wishes to do away with small family farms, I do not know what they mean. You know, the more I read

the more frightened I become of this government and its bureaucratic manner of doing things.

At this time may I welcome the minister in charge of the Wheat Board who has come into the House.

Mr. Paproski: He will not have difficulty hearing you, Jack.

Mr. Horner: When you speak of the devil, he is bound to show up, as the old saying goes. That happened on this occasion.

Mr. Lang: On a question of privilege, Mr. Speaker, I should like it to be known that the hon. member can be heard in the West Block.

Mr. Horner: That is not a question of privilege, that is wasting time. I hope your Your Honour will not deduct the wasted time from the time available to me. I regret that while we were debating this subject this afternoon the Standing Committee on Agriculture was discussing another piece of legislation related to this question. That legislation does not deal with quite the same point the motion deals with, but there are similarities in the objectives of the motion and of the legislation, as the Minister of Agriculture acknowledged earlier today.

Mr. Olson: If that legislation had passed, the hon. member would not be speaking in the present debate.

Mr. Horner: Mr. Speaker, I cannot understand what the Minister of Agriculture is mouthing. He ought to take lessons from the Prime Minister. At least he is understood.

Mr. Olson: I said, pass that legislation.

Mr. Horner: I continue quoting:

A third sub-group would increase the availability and control of capital through various forms of credit and through various contractual arrangements used in the acquisition and control of land and other capital.

So power hungry is this government that it wants to control not only capital, but land as well. I hope the minister will not try to say that the government does not want to drive the owner of the family farm out of farming.

The article continues:

It was understood that planners in the agriculture department have been told that the adjustment in Canadian agriculture must take place within this generation, or within 15 years.

So, the small farmer is given 15 years to live, then he must move to the city and go on welfare. What will happen to all the small communities, to the small grocers and the curling rinks and to all the people who live in small communities? Fifteen years is all those people have been given. I will not read all the article, but this part reads:

One spokesman for the federal department said the "utopian condition" would be to reduce the farm population in Canada to 150,000 people by the final stage, but it was realized that this might not be achievable.

[Mr. Horner.]

Well, they are holding out a 10 per cent chance for the small farmer to survive; that's mighty big of them. I continue quoting the article:

The paper sees three major thrusts within Canadian agricultural policy.

I want hon. members to bear with me because this is important:

The first has to do with marketing, market development and trade.

We know all about that.

The second deals with the adjustment of individual farms and of the agricultural sector as a whole.

The third has to do with the stabilization of incomes . . .

The minister admitted, when we discussed this matter in committee this afternoon, that "stabilization of income" is a bad expression. They will have to change the wording in that 20-page document.

An hon. Member: It means, stabilization of poverty.

Mr. Horner: As has been pointed out, it means stabilization of poverty. The minister did not like that expression. He said it was a bad expression. How are they going to accomplish this? I continue quoting from the article:

• (5:10 p.m.)

—It concentrates on increasing the mobility of the land resource, enabling some farmers to increase the size of their farming operations and enabling others to get their assets out of farm real estate so they can take advantage of non-farm income, employment or retirement opportunities.

It involves a package of four programs as follows:

A listing service to provide the relevant information to prospective buyers and sellers.

Incentive grants to encourage prospective vendors to sell.

Special credit facilites to encourage prospective purchasers to buy.

Mr. Olson: Read that one over again.

Mr. Horner: I can read it over again. The present government has created a need for credit facilities because they have increased the interest rate from 5 per cent to 8 per cent on loans granted by the Farm Credit Corporation. They are not doing much for the prospective buyers of land, either. The article continues:

Authority (for the government) to enter the market directly to purchase and resell farms as the needs arise.

The bureaucrat is moving into the real estate business. I should not be warning the small farmers, I should be warning the real estate men across this country that they will have opposition. The government is going to move in. It has the ultimate power to buy and sell land. The government is going to collect it all because they are going to be marketing the farmers' products under this two-headed monster that is responsible for agricultural policy today. If one reads this complete article, he will realize where we are headed. I quote:

The second set of programs is comprised of:

A rural counselling service required to assist the farmer and his family make the basic decision—

A farm management service—
An agricultural adjustment information system—

I wonder whether this system will come under Information Canada which is going to set up stores across Canada. One can clearly see the bureaucratic drive going forward in the Department of Agriculture. One has to really study that. What are they attempting to gain by it?

We hear a great deal of discussion today about the standard of living. Does it really satisfy the people? We hear discussions about the quality of life. In my opinion, the quality of life is highest on the small farms across Canada. It should be the goal of politicians to strive to give people a high quality of life. They should encourage the small farmer to stay on the farm and not drive him into the city. I will tell you why I believe that.

In order to enjoy a high quality of life, one must reach some degree of contentment with himself and his community. He must have peace of mind and the knowledge that the food and shelter are his and will be there. He can acquire that on a small farm. In order to reach that contentment, he must have the satisfaction that he is making a meaningful contribution to his family, community and country. He can do this most readily in the agricultural rural community. Above all, in order to have contentment, he must have a sense of security and freedom. This can be most readily acquired in a rural community or on a small farm.

What is happening in other segments of our society? A fear is developing. A headline in this morning's *Gazette* refers to the inroads of the mafia. If we look at the crime that is developing in our major cities, we see that it is difficult for an individual to reach a degree of certainty. It is not good enough to merely lock the door. In nine out of 10 homes in rural communities across Canada, they do not bother to lock their doors at night. Ninety-nine out of 100 farms are not locked at night. They have a sense of security on the farm. The cities are reaching a point where they cannot offer the same high quality of life.

Other things happen to the environment when men are grouped too closely together. There is a high crime rate. Frustration builds up from a lack of contentment. It drives people to violence and crime. What about the concern for the pollution of our air, water and land? The concentration of the automobiles in major cities contributes something like 62 per cent to the air pollution. This is not the case in the rural communities which the government is deliberately attempting to destroy with a plan that is set out in a 20 page document which they are trying to sell to the provinces. This program is deliberately destroying the highest quality of life that Canadians can hope to enjoy. What about pollution of our land and water? When men are grouped together in close confinement, it is very difficult and costly to maintain a high quality of life.

Let us take a quick look at what we really want to do. Above all, we want to build our country. We also want to protect our past. If you take an extreme example, a farmer realizes that he has inherited his land from somebody who farmed it before him and he must protect it for somebody who will follow. He develops a love for the past and a deep sense of protection of the environment for those who will follow. This feeling is not acquired in the city. In the city, people acquire a sense of frustration which leads them to knock down huge buildings to get them out of the way so that the air will be pure and clear. It is different in the rural areas. The farmer has a deep desire to protect the land which he has acquired. He believes he has to protect it for his life, family, community and country. This is the type of country he wants. We want a person to enjoy a high quality of life. We want him to have a sense of freedom.

If we follow this adjustment program which the government has laid down in this 20 page document, will these people still have a sense of freedom? The government will help these people decide whether they go left, right or in the middle. I do not mean that in a political sense. There are three choices. The government will help an individual make a decision. As far as the government is concerned, that will be his first and last decision. He will have no freedom. He will have to march down the road to the end of time.

One must have a sense of freedom to judge his own actions and freedom from the effects of the actions of others. Where can this best be found but in the rural communities where there is freedom from the actions of one's neighbours. Above all, in rural life there is freedom to acquire a sense of co-operation. There is freedom to build a community and to co-operate with one's neighbours. There is a sense of building a better community and country. As politicians, we have to do much more than just espouse a high quality of life in the political speeches we make from time to time. It must be our goal and objective to give more and more people the opportunity to enjoy a high quality of life.

This afternoon I have tried to spell out what is encompassed within a high quality of life. Many of these objectives are quite attainable for a person who lives in an area that is not too densely populated. The more we group ourselves together, the more the quality of life diminishes. This government is deliberately attempting to destroy the quality of life that many Canadians in our rural community enjoy.

I wholeheartedly support this motion. I do not think that the payment of $100 million will reverse all the intentions of this government. I hope the government is continually bombarded with the theme that they alone are responsibe for this 20 page document which they are attempting to sell to agricultural ministers across Canada. This 20 page document will bring about the ruination of one of the best ways of life we have enjoyed to date.

• (5:20 p.m.)

For these reasons I support the motion. I hope the $100 million can be paid out quickly to help farmers make the necessary adjustments and judge the programs which are to be brought forward. If farmers are not worried financially about tomorrow's bread and butter, they might have time in which to assess fairly bills such as C-244 and C-176, and reject—

Suggested Payment to Western Farmers

The Acting Speaker (Mr. Laniel): Order. I regret to interrupt the hon. member, but the time allotted to him has expired.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, on rising I should like to emphasize once again that nobody in this House has a better appreciation of the importance of farming and of farm life than the Minister of Agriculture (Mr. Olson), and I assure once again, not members opposite who either do not hear or do not choose to hear but the agriculture community generally that everything we do in this government is designed to improve the basic position of farmers generally.

We shall, of course, attempt to offer special help, to develop special measures such as adjustment programs for farmers who are in a situation different from one they would choose for themselves. We in this government have been working very hard on measures to improve the agricultural situation in the long term. We have done so with firm convictions about the underlying strength of our agricultural industry and in the firm belief that with farmers and the government working together we can find an improved place for agriculture in this country.

What have we found from members opposite in these circumstances? We have found the doom and gloom boys once again at work, going across this land trying to suggest evil motives on our part, putting the worst possible light on every situation.

Mr. Paproski: We wouldn't do that.

Mr. Lang: They have added to the grave difficulties which do exist by attempting to increase the frustration and the hopelessness of farmers across this land, and for that they must stand indicted now and in the future.

Some hon. Members: Hear, hear!

Mr. Lang: It will be up to us in the government and in this party, and up to many other people across this land to attempt to counteract this doom and gloom and depict what the real possibilities are in order that men may work their best, not in the spirit of hopelessness which hon. members opposite have tried to instil but in the spirit of facing difficulties realistically and trying to overcome them.

I am happy to note that in the prairie region there are many who are trying to lead farmers to understand that difficulties can be overcome. I think, for example, of the Palliser Wheat Growers' Association, I think of the rapeseed associations of Manitoba, Alberta, Saskatchewan and the Canadian association particularly, not to ignore some of the others. These organizations have in recent days again emphasized the importance of marketing and of what can be done with our productive acres in the western region if we go after world markets with vigorous determination and a conviction that we can as a result claim those markets and benefit from an ever-growing share of income for the prairie region. It is men like these whose help we shall need, not just in describing the programs we have put in place but to overcome the attempt by members opposite to spread gloom and despair.

[Mr. Horner.]

I think hon. members can do no worse in relation to agriculture than continue this attempt in which they have persisted for so long. I could point to the tremendous efforts which have been engaged in recently to bring some order and sense into the quota system, to remove programs which biased the system in favour of one grain or another. I could point to the large sums of money made available for diversion programs, the forage incentive program, and so on; programs which are directed to helping prairie agriculture and which are justified because this industry is in real difficulty and farmers have real cash problems in trying to make adjustments which they themselves know to be desirable.

Opposition spokesmen have drawn no attention to such things as federal efforts to place more cash into the hands of farmers by emphasizing wheat sales in our total world program. We have placed important emphasis on market development. The $10 million a year we have committed to market development is designed as seed money to produce much greater sums in the future. It is a tremendously positive attitude in respect of what our agricultural acres can do and where the future of agriculture may lie.

My colleague the Minister of Agriculture has recited how grain producers in many countries are now or have been in serious difficulty in recent years. Canadian producers have shared those difficulties to the full. In recognition of this, the government of this country has stood ready to expend large sums on behalf of the farmer. Members opposite talk about the net income position in the grain industry and how low it is. They do not pay attention to the $300 million which went from the treasury essentially to the grain producing area in 1970-71 in a totality of programs which in 1964-65 produced for the farmer about $92 million, a change of $200 million in additional money put out for the grain industry in recognition of its difficulties.

They do not recognize the other market developments and efforts which have been so important in the over-all planning, the extensive credit facilities which in the crop year ended July 31 made possible the export of some 150 million bushels of wheat and flour. That is about one-third of the total exports for that period and, significantly, it represents approximately the amount by which our exports of wheat this year may be above what some experts said would be the amount Canada would be able to sell in the world market. The government has at the moment outstanding liabilities of approximately $300 million in respect of loans in support of the sale of wheat where the federal government stands as guarantor. Hon. members choose to ignore this important contribution, again. On the market development side, the most positive side, looking to the development of better markets and improved cash position for the farmer by the sale of his own goods no matter what the treasury may do in relation to the farmer, the bulk of his income over a long period of time comes from the proceeds of sale of his own products and this is where the emphasis must be.

• (5:30 p.m.)

The results already this year have begun to be evident. We will have exports of grain which will be in record proportions. We have already exported as of May 26, 1971, compared with the year before, and my figures are for May 27—

Mr. Horner: Would the minister permit a question?

The Acting Speaker (Mr. Laniel): Order, please. The hon. member knows he cannot ask a question of the minister unless the minister accepts it.

Mr. Lang: I will accept the question toward the end, if I may, Mr. Speaker, since my time is limited. Total exports of grain for the crop year to May 26 were 522.8 million bushels compared with 335 million bushels the year before. Let me give the individual figures to hon. members so they will be satisfied. In the case of wheat except Durum, exports were 285.3 million compared with 234.3 million bushels. In the case of Durum, exports were 33.7 million bushels compared with 14.9 million. In the case of oats, exports were 10.2 million bushels compared with 1.4 million bushels the previous year. In the case of barley exports were 135.6 million bushels compared with 49.3 million bushels. This 135.6 million bushels compares with the all-time previous record for an entire crop year of approximately 122 million bushels.

In the case of rye the figures are 6.3 million bushels compared with 3.1 million. In the case of flaxseed, exports were 15.3 million bushels compared with 14.8 million bushels. In the case of rapeseed—a great potential crop for the future; one on which to base a good deal of optimism—exports were 36.4 million bushels compared with 17.2 million bushels for the previous crop year. These are figures that are beginning to result in record movement of grain out of the prairie region and which will shortly do a significant amount of good in that region.

An hon. Member: Tell that to the farmers.

Mr. Lang: Hon. members say I should tell it to the farmers. Let me tell them other people in this country recognize that the $300 million which was paid out by the treasury is a significant amount of money, even if hon. members opposite do not appreciate it.

In the serious difficulties encountered in 1968-69 and 1969-70 the cash advance payments program was available and provided interest-free money to farmers to tide them over their difficulties. As a result, by the end of the last crop year a total of 122,110 cash advances had been taken for the year, for a total of $272,777,316. I should like to remind hon. members of the importance of this program to the extent that interest-free money is provided to farmers to tide them over the limited cash flow they experienced in the area of grain shipments.

I should like to illustrate how things are different this year. As of June 4, which will be approximately the end of the period for this year for cash advances, 51,353 cash advances have been taken. This compares with the previous year when 122,110 farmers took cash advances. The 51,353 taken this year represent a total of $91,105,330.

Mr. Horner: But how many are outstanding?

Mr. Lang: In the same period, the amount of cash advances outstanding has gone down very significantly. Increased deliveries of grain have to a very large extent reduced this indebtedness, or the amount of advances on future sales of grain, and the farmers are in a far better position in terms of grain sold than they were before. Advances made to farmers by the end of this crop year may be down by over $80 million compared with the previous year. As a result of further sales such as the recent one totalling $130 million to the U.S.S.R., and with the kind of aggressive marketing we have on the part of the Wheat Board, our farmers can begin to look ahead.

Mr. Lewis: That was an old sale, not a new one.

Mr. Lang: Our farmers have cause to be optimistic about a better future.

Mr. Horner: That is so far from the fact that it is not recognizable.

Mr. Lang: Hon. members opposite do not like to be reminded of this because they are so happy listening to their own cries of doom and gloom. The present motion before the House calls for an immediate payment of $100 million. This is exactly what would happen, of course, if hon. members opposite would co-operate and pass some of the legislation that is before the House.

I suggested to the hon. member for Mackenzie (Mr. Korchinski) when he spoke that the motives of the NDP in moving this motion were largely political, having regard to their embarrassment at being accused in the election campaign in Saskatchewan, and quite rightly so, of obstructing the payment of this $100 million. A member of the NDP from this House said in Saskatchewan that he would ensure that this money would not be paid out to the farmers until the election was over. I do not have any similar analysis for such people as the hon. member for Crowfoot (Mr. Horner), but he needs no motive for obstruction in this House; he obstructs automatically.

I suggest, and it may help hon. members opposite to be more co-operative and attempt to assist the parliamentary process by bringing the question to a vote, that the New Democratic Party has probably accomplished its objective because it may be impossible to make this payment now before June 23. Although they may be happy, they will be held responsible for this delay in Saskatchewan.

Mr. Lewis: Come on, cut it out.

Mr. Horner: I rise on a question of privilege, Mr. Speaker.

The Acting Speaker (Mr. Laniel): The hon. member for Crowfoot (Mr. Horner) is rising on a point of order.

Suggested Payment to Western Farmers

Mr. Horner: On a question of privilege, Mr. Speaker. I am not concerned about the NDP; my question of privilege is that the minister directly accused me of obstructing any and all things in the House of Commons, particularly Bill C-244. Let me point out to him that the proposals in this bill were first announced on October 29 and we never saw them again until a month ago. So it is the minister's own fault that he has not had the bill passed before June 23.

The Acting Speaker (Mr. Laniel): Order, please. The Chair is of the opinion that the hon. member for Crowfoot has a question for debate, not a question of privilege.

Mr. Lang: Mr. Speaker, since the hon. member for Crowfoot has raised such an interesting point I should like to remind him that we followed a practice that I think should be applauded by the producers. That is to say, when we made this proposal we enunciated it in late October, discussed it with the producers and producer organizations for a number of months. This was the basic framework of what we intended and wanted to do for the producers of the region and these proposals were known to the House, even if some hon. members opposite did not see them. Then in March we announced the result of our discussions and the improvements and changes that were made to the program. Following that, the legislation was brought forward.

• (5:40 p.m.)

If we had brought the legislation forward earlier, the hon. member for Crowfoot would have said we did not seriously mean to discuss it. He cannot have it both ways. I think he has very little ground for saying that we are trying to do nothing for the farmers except on the basis of his own understanding that bit by bit and gradually the farmers on the Prairies are beginning to understand that we are doing our very best and working very hard in an attempt to meet their situation now and for the future.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, the minister in charge of the Wheat Board has complained that members of the opposition have been creating hopelessness among the farmers of western Canada. I point out to him that the hopelessness which hangs like a pall over western agriculture is due to the policies and the fumbling and bungling of the minister himself.

Some hon. Members: Hear, hear!

Mr. Douglas: The fact that this minister last year could only offer the farmers of Western Canada the Lift program to take their land out of production was a counsel of despair and an announcement to the farmers of western Canada that the government had no policy to dispose of their produce and no policy to maintain their income. The fact that this government pursued policies that resulted in the farm income on the three prairie provinces dropping last year by $296 million over the previous year and $481 million over 1968 is what has caused the hopelessness.

[The Acting Speaker (Mr. Laniel).]

The fact that the minister had to tie his $100 million hand-out to a bill which is designed to put the farmers of western Canada in an economic straightjacket, so they will have to live with substandard prices for the rest of their lives, is what has caused the hopelessness. If there is hopelessness today on the Prairies, this government must accept the responsibility. Most of all, that hopelessness is caused by the attitude of the government itself.

I have in my hand a copy of the document to which the hon. member for Crowfood (Mr. Horner) referred, the Agricultural Adjustment or Development policy for Canadian agriculture. Unless anyone should not think it is official, it says on page 7 that "the federal cabinet has given approval in principle for the development and operation of set adjustment policies and programs of the general type outlined below," and it sets out in detail a program in relation to a farm adjustment and mobilization resources plan. This is a chart for the dissolution of the family farm in western Canada.

Some hon. Members: Hear, hear!

The Acting Speaker (Mr. Laniel): Order, please. It being 5.45 o'clock p.m., pursuant to order made earlier this day it is my duty to interrupt the proceedings and forthwith put every question necessary to dispose of the motion now before the House. The question is on the motion of Mr. Lewis, seconded by Mr. Knowles, Winnipeg North Centre.

All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): Call in the members.

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

YEAS

Messrs:

Aiken
Alkenbrack
Barnett
Bell
Bigg
Blackburn
Brewin
Coates
Code
Comeau
Crouse
Danforth
Dinsdale
Douglas
Forrestall
Gauthier
Gilbert
Gleave
Godin
Grills
Hales
Harding
Harkness
Hees
Horner
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Laprise
Lewis
MacInnis (Mrs.)
MacLean

Messrs:

Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McKinley
McQuaid
Marshall
Mather
Muir
Murta
Nesbitt
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Ricard
Ritchie
Rodrigue
Rynard
Saltsman
Schumacher
Scott
Simpson
Southam
Stanfield
Stewart (Marquette)
Tétrault
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Yewchuk—68.

NAYS

Messrs:

Andras
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cullen
Cyr
Davis
Deachman
Deakon
Drury
Dubé
Dupras
Éthier
Faulkner
Forest
Forget
Francis
Gendron
Gervais
Gibson
Goode
Goyer
Gray
Greene
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Hymmen
Isabelle
Jamieson
Jerome
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
McIlraith
McNulty
Mahoney
Marchand (Langelier)
Morison
Munro
Murphy
Noël
O'Connell
Olson
Osler
Otto
Pelletier
Penner
Pepin
Perrault
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Smerchanski
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Walker
Weatherhead
Whelan
Whicher
Whiting—108.

• (6:00 p.m.)

Mr. Speaker: I declare the motion lost. It being six o'clock, I do now leave the chair until eight o'clock.

At 6.05 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed, from Monday, June 7, consideration of Bill C-219, to establish the Canada Development Corporation, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs.

Mr. Deputy Speaker: The House will now proceed to the recorded divisions, pursuant to Standing Order 75 (11), in respect of motions to amend Bill C-219, an act to establish the Canada Development Corporation.

The question is on motion No. 1 standing in the name of the hon. member for Waterloo (Mr. Saltsman). Call in the members.

The House divided on motion No. 1 (Mr. Saltsman) which was negatived on the following division:

Division

YEAS

Messrs:

Barnett
Blackburn
Brewin
Douglas
Gilbert
Gleave
Harding
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Orlikow
Peters
Saltsman
Thomson (Battleford-Kindersley)—16.

NAYS

Messrs:

Aiken
Alkenbrack
Anderson
Andras
Asselin
Barrett
Béchard
Beer
Bell
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chrétien
Clermont
Coates
Cobbe
Code
Comeau
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)

Division

Messrs:

Crouse
Cullen
Cyr
Danforth
Davis
Deachman
Deakon
Dinsdale
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Francis
Gendron
Gervais
Gibson
Goode
Gray
Grills
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Harkness
Hees
Hogarth
Hopkins
Horner
Hymmen
Isabelle
Jamieson
Jerome
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIlraith
McKinley
McNulty
McQuaid
Mahoney
Marchand (Langelier)
Morison
Muir
Munro
Murphy
Murta
Nesbitt
Noël
Nowlan
O'Connell
Olson
Osler
Otto
Paproski
Peddle
Pelletier
Penner
Pepin
Perrault
Reid
Richardson
Ritchie
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Simpson
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Cochrane)
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Valade
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis
Yewchuk—154.

• (8:20 p.m.)

Mr. Deputy Speaker: I declare the motion lost. As hon. members know, this division also disposes of motion No. 2.

[Mr. Deputy Speaker.]

The House divided on motion No. 3 (Mr. Saltsman) which was negatived on the following division:

YEAS

Messrs:

Barnett
Blackburn
Brewin
Douglas
Gilbert
Gleave
Harding
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Orlikow
Peters
Saltsman
Thomson (Battleford-Kindersley)—16.

NAYS

Messrs:

Aiken
Alkenbrack
Anderson
Andras
Asselin
Barrett
Béchard
Beer
Bell
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chrétien
Clermont
Coates
Cobbe
Code
Comeau
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crouse
Cullen
Cyr
Danforth
Davis
Deachman
Deakon
Dinsdale
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Forrestall
Francis
Gendron
Gervais
Gibson
Goode
Gray
Grills
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Harkness
Hees
Hogarth
Hopkins
Horner
Hymmen
Isabelle
Jamieson
Jerome
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIlraith
McKinley
McNulty
McQuaid
Mahoney
Marchand (Langelier)
Morison
Muir
Munro
Murphy
Murta
Nesbitt
Noël
Nowlan
O'Connell
Olson
Osler
Otto
Paproski

Messrs:

Peddle
Pelletier
Penner
Pepin
Perrault
Reid
Richardson
Ritchie
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Simpson
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Cochrane)
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Valade
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis
Yewchuk—155.

• (8:30 p.m.)

Mr. Deputy Speaker: I declare the motion lost. This division disposes of motions Nos. 4 and 5.

The House divided on motion No. 6 (Mrs. MacInnis, for Mr. Burton) which was negatived on the following division:

YEAS

Messrs:

Barnett
Blackburn
Brewin
Douglas
Gilbert
Gleave
Harding
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Orlikow
Peters
Saltsman
Thomson (Battleford-Kindersley)—16.

NAYS

Messrs:

Aiken
Alkenbrack
Anderson
Andras
Asselin
Barrett
Béchard
Beer
Bell
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chrétien
Clermont
Coates
Cobbe
Code
Comeau
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crouse
Cullen

Division

Messrs:

Cyr
Danforth
Davis
Deachman
Deakon
Dinsdale
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Forrestall
Francis
Gendron
Gervais
Gibson
Goode
Gray
Grills
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Harkness
Hees
Hogarth
Hopkins
Horner
Hymmen
Isabelle
Jamieson
Jerome
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIlraith
McKinley
McNulty
McQuaid
Mahoney
Marchand (Langelier)
Morison
Muir
Munro
Murphy
Murta
Nesbitt
Noël
Nowlan
O'Connell
Olson
Osler
Otto
Paproski
Peddle
Pelletier
Penner
Pepin
Perrault
Reid
Richardson
Ritchie
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Simpson
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Cochrane)
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Valade
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis
Yewchuk—155.

Mr. Deputy Speaker: I declare the motion lost. This division disposes of motion No. 7 also.

Division

The House divided on motion No. 8 (Mr. Saltsman, for Mr. Burton) which was negatived on the following division:

YEAS

Messrs:

Barnett
Blackburn
Brewin
Douglas
Gilbert
Gleave
Harding
Knowles (Winnipeg North Center)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Orlikow
Peters
Saltsman
Thomson (Battleford-Kindersley)—16.

NAYS

Messrs:

Aiken
Alkenbrack
Anderson
Andras
Asselin
Barrett
Béchard
Beer
Bell
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chrétien
Clermont
Coates
Cobbe
Code
Comeau
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crouse
Cullen
Cyr
Danforth
Davis
Deachman
Deakon
Dinsdale
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Forrestall
Francis
Gendron
Gervais
Gibson
Goode
Gray
Grills
Groos
Guay (Saint-Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Harkness
Hees
Hogarth
Hopkins
Horner
Hymmen
Isabelle
Jamieson
Jerome
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIlraith
McKinley
McNulty
McQuaid
Mahoney
Marchand (Langelier)
Morison
Muir
Munro
Murphy
Murta
Nesbitt
Noël
Nowlan
O'Connell
Olson
Osler
Otto
Paproski
Peddle
Pelletier
Penner
Pepin
Perrault
Reid
Richardson
Ritchie
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Simpson
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Cochrane)
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Valade
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis
Yewchuk—155.

[Mr. Deputy Speaker.]

• (8:40 p.m.)

Mr. Deputy Speaker: I declare the motion lost.

The House divided on motion No. 9 (Mr. Saltsman, for Mr. Burton) which was negatived on the following division:

YEAS

Messrs:

Barnett
Blackburn
Brewin
Douglas
Gilbert
Gleave
Harding
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Orlikow
Peters
Saltsman
Skoberg—16.

NAYS

Messrs:

Aiken
Alkenbrack
Anderson
Andras
Asselin
Barrett
Béchard
Beer
Bell
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chrétien
Clermont
Coates
Cobbe
Code
Comeau
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crouse
Cullen
Cyr
Danforth
Davis
Deachman
Deakon
Dinsdale
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Forrestall
Francis
Gendron
Gervais
Gibson
Goode
Gray
Grills
Groos

Messrs:

Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Harkness
Hees
Hogarth
Hopkins
Horner
Hymmen
Isabelle
Jamieson
Jerome
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humbolt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIlraith
McKinley
McNulty
McQuaid
Mahoney
Marchand (Langelier)
Morison
Muir
Munro
Murphy
Murta
Nesbitt
Noël
Nowlan
O'Connell
Olson
Osler
Otto
Paproski
Peddle
Pelletier
Penner
Pepin
Perrault
Reid
Richardson
Ritchie
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Simpson
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Cochrane)
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Valade
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis
Yewchuk—155.

Mr. Deputy Speaker: I declare the motion lost.

The House divided on motion No. 10 (Mr. Saltsman, for Mr. Burton) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Asselin
Barnett
Bell
Blackburn
Brewin
Coates
Code
Comeau
Crouse
Danforth
Dinsdale
Douglas
Forrestall
Gilbert
Gleave
Grills
Hales
Harding
Harkness
Hees
Horner
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lewis
MacInnis (Mrs.)
MacLean
MacRae
McCleave
McCutcheon
McGrath
McKinley
McQuaid
Mather
Muir
Murta
Nesbitt
Nowlan
Nystrom
Orlikow
Paproski
Peddle
Peters
Ritchie
Ryan
Rynard
Saltsman
Schumacher
Scott
Simpson
Southam
Stanfield
Stewart (Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Valade
Yewchuk—60.

Division

NAYS

Messrs:

Anderson
Andras
Barrett
Béchard
Beer
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cullen
Cyr
Davis
Deachman
Deakon
Dubé
Dupras
Duquet
Éthier
Forest
Forget
Francis
Gendron
Gervais
Gibson
Goode
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Hymmen
Isabelle
Jamieson
Jerome
Kierans
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
McIlraith
McNulty
Mahoney
Marchand (Langelier)
Morison
Munro
Murphy
Noël
O'Connell
Olson
Osler
Otto
Pelletier
Penner
Pepin
Perrault
Reid
Richardson
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Serré
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
Stewart (Cochrane)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky

Division

Messrs:

Sullivan
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis—110.

• (8:50 p.m.)

Mr. Deputy Speaker: I declare the motion lost.

The House divided on motion No. 12 (Mr. Brewin, for Mr. Burton) which was negatived on the following division:

YEAS

Messrs:

Barnett
Blackburn
Brewin
Douglas
Gilbert
Gleave
Harding
Knowles (Winnipeg North Centre)
Lewis
MacInnis (Mrs.)
Mather
Nystrom
Orlikow
Peters
Saltsman
Thomson (Battleford-Kindersley)—16.

NAYS

Messrs:

Aiken
Alkenbrack
Anderson
Andras
Asselin
Barrett
Béchard
Beer
Bell
Benson
Bigg
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Cafik
Cantin
Chrétien
Clermont
Coates
Cobbe
Code
Comeau
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Crouse
Cullen
Cyr
Danforth
Davis
Deachman
Deakon
Dinsdale
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Forrestall
Francis
Gendron
Gervais
Gibson
Goode
Gray
Grills
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hales
Harkness
Hees
Hogarth
Hopkins
Horner
Hymmen
Isabelle
Jamieson
Jerome
Kierans
Knowles (Norfolk-Haldimand)
Korchinski
Laflamme
Laing (Vancouver South)
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
Leblanc (Laurier)
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
Macdonald (Rosedale)
MacEachen
MacLean
MacRae
McCleave
McCutcheon
McGrath
McIlraith
McKinley
McNulty
McQuaid
Mahoney
Marchand (Langelier)
Morison
Muir
Munro
Murphy
Murta
Nesbitt
Noël
Nowlan
O'Connell
Olson
Osler
Otto
Paproski
Peddle
Pelletier
Penner
Pepin
Perrault
Reid
Richardson
Ritchie
Roberts
Robinson
Rochon
Roy (Timmins)
Roy (Laval)
Ryan
Rynard
Schumacher
Scott
Serré
Simpson
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Southam
Stafford
Stanfield
Stewart (Cochrane)
Stewart (Marquette)
Stewart (Okanagan-Kootenay)
St. Pierre
Sulatycky
Sullivan
Thomas (Maisonneuve-Rosemont)
Thomas (Moncton)
Thompson (Red Deer)
Tolmie
Trudel
Turner (London East)
Valade
Walker
Weatherhead
Whelan
Whicher
Whiting
Yanakis
Yewchuk—155.

Mr. Deputy Speaker: I declare the motion lost. Hon. members will be pleased to note that we have now disposed of all motions at the report stage.

Hon. E. J. Benson (Minister of Finance) moved that Bill C-219, to establish the Canada Development Corporation, as reported (with amendments) from the Standing Committee on Finance, Trade and Economic Affairs, be concurred in.

Motion agreed to.

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

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker—

Some hon. Members: Hear, hear!

Mr. Hees: This speech is going to be good when I get going.

• (9:00 p.m.)

Some hon. Members: Hear, hear!

Mr. Hees: Now that all the preliminaries are over, Mr. Speaker, I rise to speak on this bill to outline why the

government wishes to establish and how it intends to operate the Canada Development Corporation. I have slowly and reluctantly come to the conclusion that this corporation will be the most costly fiasco which ever has been jammed down the throat of the Canadian people.

I am very disappointed this is the case because originally, before the government actually presented its bill, I had become convinced that this would offer an excellent potential for enabling Canadians to own and control more of their development. I believed that there were excellent possibilities presented for persuading Canadians, who do not now invest their savings in the stock market because they are unfamiliar with how it operates and therefore unwilling to trust their savings to it, to switch part of their savings to investment in the Canada Development Corporation.

However, because of the outline by the Minister of Finance (Mr. Benson) concerning how the government intends the Canada Development Corporation should operate, I have reluctantly become convinced that the CDC will simply never get off the ground. I have come to this conclusion because of the method outlined by the Minister of Finance for raising the capital with which the corporation will operate. As we know, the government plan is that the corporation will raise 90 per cent of its capital—that is, $1,080 million—by selling shares to the public. In order for this to be possible it is obvious that the public must be willing to buy these shares. If the public is to buy these shares, the people must be convinced that investing in the CDC is a more desirable way for them to invest their savings than the method they are now using.

Let us examine the potential areas from which this capital can be raised. Most of the savings in this country are invested in two broad fields. The first is the stock and bond market, either through individual issues or through mutual funds. The second is the broad field of life insurance, savings accounts and Canada Savings bonds. Those who have been investing in the stock and bond market, either in individual issues or through mutual funds, have a wide variety of issues from which to choose. They are able to assess the possibilities for future growth and future dividends from the reports which companies make available periodically for the information of the public.

These people are satisfied with the method they are now employing for investing their savings and believe they are playing their part in helping this country finance its development. It is very unlikely that any of these people will be inclined to switch their savings from this type of investment to investment in CDC shares. The group which offers the real potential for switching its savings from the present form of investment to investment in the CDC is the second category, which includes those who have been investing their savings in life insurance, savings accounts and Canada savings bonds.

The combined savings of this group approaches $1½ billion a year. I am convinced this group could be persuaded to switch part of its savings to investment in the CDC if an appeal were made to the people in it to help their country own and control more of its development. I believe something in the order of half a billion dollars a year could be switched from this group. In order for these people to be persuaded to switch part of their present investment to investment in the Canada Development Corporation they must be guaranteed the same kind of security and return on investment they are now receiving, which is very real and very attractive to them. They will not switch until they are assured of receiving at least the same security and the same return on investment.

The Minister of Finance recently announced that no such guarantee either of security or return on investment will be made by the government. I have discussed this matter at great length with people in the investment community. These are the people through whom sales of Canada Development Corporation shares would have to be made. They are unanimous in their opinion that unless the government gives such a guarantee to the people there will be no investment by the public in CDC shares.

Why are they so sure this would be the case? They will tell you the people are aware of what happens to business operations which are controlled by the government. They know very well what happened to the 14 companies that were operated by the late CCF government in Saskatchewan in the forties. We all remember the very interesting description given a few years ago by the right hon. member for Prince Albert (Mr. Diefenbaker) when he rose in this House and told us in chapter and verse what happened to each of the 14 companies operated by the CCF government at that time. He outlined how long each company lasted under the government's direction and what the loss was to the people of Saskatchewan in each case.

Mr. Speaker, a former leader of the government of Saskatchewan, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), was in the House at the time and all he could do was smile and sink a little lower in his seat as the right hon. member for Prince Albert continued to describe the fiasco for which the hon. member's government was responsible.

The people of Canada are also familiar with the operation of Quebec's General Development Corporation which came into existence in the mid-1960s. This General Development Corporation is exactly the same kind of corporation the government intends the CDC to be. It was brought into being as a means of enabling the people of Quebec to participate in the development of industry of their province. In the same way, this government claims the CDC will enable the people of Canada to participate in the development of the Canadian economy.

The people of the business community in particular, the people of Quebec in particular and the people of Canada generally are aware that the shares of the Quebec General Development Corporation were placed on the market at $10 each. That was the highest point those shares ever hit. They have been going down gradually and steadily ever since and today they are offered to the public at $3.50 a share, with no takers. The reason for the sad experience of that corporation is the same as

the reason for the sad experience of government-operated business enterprises in Saskatchewan. That reason is two-fold. The first is government interference, and the second is lack of managerial ability.

• (9:10 p.m.)

Without a government guarantee of security of investment and a return on investment, the people of Canada will simply not participate in the financial operation of the Canada Development Corporation, and anybody who thinks they will is completely out of touch with the thinking of the business community and, in particular, of the investment community on whom the government would have to rely 100 per cent to market these shares to the Canadian people.

People in the investment community will tell you that they simply cannot sell CDC shares unless there is a guarantee of security and return on investment. The government think that by appealing to the nationalism of the Canadian people, particularly the group that has savings and has never invested in anything in the nature of development, and by appealing their patriotism, they will achieve their goal. People in the investment community will tell you that without them there would simply be no investment by the public.

It shows how far out of touch with the business community the Minister of Finance and this government are if they think that their pipe dream of selling unsecured CDC shares to the public could be made a reality. It simply could not. All you have to do is ask any person in the investment community if this is not so and he will tell you that of course it is. When you mention CDC shares to the investment community, people simply laugh and the few that do not laugh, cry because it has become a very sad and a very sick joke among them. It is simply too ridiculous for words.

Because of these facts, because of the interference by the government if this corporation becomes a reality, because they know that the public will not participate in the financing of the corporation, more than 20 top businessmen in this country who have been approached to take on the job of president of the CDC, at a salary which I am told is about $75,000 a year, have turned down the proposition. They have turned it down cold because they know that this corporation will be a failure and top-flight businessmen do not like to be associated with failures.

That is why, also, the very large number of businessmen who have been approached to take on the job of general manager have turned it down. Businessmen do not like to be associated with failures and that is the reason this government will not be able to get a first-class businessman, a second-class or even a third-class businessman to take on the direction of the corporation. It will have to rely upon a political hack who has not been able to make a go of his own business and who would like to receive that large salary even for the few years that the corporation might be allowed to operate before it folds up like a $2 suitcase.

[Mr. Hees.]

Finally, let us look at the use to which the corporation would put the $200 million of the taxpayers' money which the government intends to invest in the operations of the CDC. To get the answer let us ask ourselves first of all why, when the Canada Development Corporation lay dormant and unwanted for eight long years from the time it was first introduced by the then Minister of Finance, Hon. Walter Gordon, late last fall when the CDC legislation rated No. 74 on the government's list of legislative priorities suddenly it was elevated to No. 1. The bill was rushed into the House and now it is being put through in great haste.

The simple answer is that there is no economic reason for it; in fact, every economic reason is against it. It is a 100 per cent political reason. The reason is that the organizers of the Liberal Party suddenly saw in this proposal a first-class election gimmick. This corporation will be paraded on every Liberal platform in the country as a means by which anything that the people in the riding wish to take place in a business way will be promoted and accomplished. The CDC will be promised on every Liberal platform as the means by which companies which appear likely to fall into foreign hands will be taken over. It will be put forward as the means by which any company which is faltering and looks as though it is going under due to bad management or obsolescence of plant or machinery will be taken over.

People are not interested in a product which is obsolescent. The people in the area will be assured that the CDC will take over these companies, will put them on their feet and will put in all the money needed to keep them operating. Then if the government should have the good luck—which would be bad luck for the rest of the country—to be re-elected, which we hope to heaven it never will—

Some hon. Members: Hear, hear!

Mr. Hees: —you can count on the IOUs being presented to the government, and the parade to Ottawa of people from the ridings requiring that the government make good its promises will be really something to see. The Minister of Finance will try to withstand the storm, he will try to put them off, but there will be tremendous political pressure brought to bear which will make it impossible to withstand most of the pressure, and ridings that could be lost the next time around will be looked after very well indeed. If this legislation goes through and the CDC becomes a reality, we will see this corporation operating the greatest number of flops that you have ever seen. They will be operating companies that would make the 14 companies which failed in Saskatchewan in the 1940s look like very profitable and successful operations.

The trouble with the Minister of Finance, the government and its socialistic advisers is that they do not realize that for a company to be a practical success it must be able to produce a product at a price and of a design and quality which appeals to the buying public of this country as well as to the export market, because

most Canadian companies rely upon making sales in the export market. To do that a company must be relatively close to the source of raw materials. It must have cheap power, it must have the proper technology and it must have a market that wants its product and is willing to pay for it at the price that is asked and with the quality and design that is offered.

Most of the socialistic planners believe that all one has to do is put up the bricks and mortar, get the machines in and name a manager and somehow or other the company will be a success. That is the reason government-controlled business operations always fail. The public of Canada knows this of publicly-owned corporations of this kind and that is why it will not touch the CDC's shares unless security and return on investment is guaranteed: they will not touch them with a ten-foot pole.

• (9:20 p.m.)

So, Mr. Speaker, we will have on our hands a corporation that I am convinced will be the greatest flop since the Edsel. The Edsel is coming down the assembly line at the present time, and in the near future when the government's majority jams it through the House and makes it a reality, as it will, it will be operating on a gas tank that is only 10 per cent full. There are no drivers willing to direct the operations of the corporation because no first-class or second-class businessmen are willing to take it on. They are making that very clear. More than 20 top businessmen have been approached and every one has turned it down cold. No one will touch it because they do not want to be associated with a colossal failure.

Like its predecessor in this country and other countries, after costing the taxpayers many millions of dollars this corporation will be withdrawn. This has been the case in many instances. That, Mr. Speaker, is why I and members of the official opposition intend to vote against this measure on third reading.

Mr. Max Saltsman (Waterloo): Mr. Speaker, in some of the euphoric moments when the New Democratic Party looks at the bankruptcy of the Liberal party and of the Conservative party, we say to ourselves, "Surely the Canadian people will recognize this and elect us to office." The question then arises of the kind of CDC we would institute and who might be the manager of such a corporation. As you know, Mr. Speaker, we have in our party the Waffle group and occasionally I hear one of them suggest the name of the hon. member for Prince Edward-Hastings (Mr. Hees). They say, "George Hees would be a good manager for the CDC." After the speech the hon. member made tonight I am afraid his name might have to be scratched.

Some of the comments of the hon. member rather surprised me. He sees the CDC as having some significance or force in the private market. I do not see it in that light at all. I am rather disappointed in some of the statements made by the hon. member in another sense. When he was Minister of Transport and Minister of Trade and Commerce when his party formed the government, he was said to be a very imaginative and aggressive minister.

Some hon. Members: Hear, hear!

Mr. Hees: I don't want to miss this, Max.

Mr. Saltsman: He used his office as minister for the good of the people of Canada and ran his department in an efficient manner. Surely that must put the lie to some of the statements he made this evening to the effect that a government corporation cannot be run efficiently. We can expect this kind of talk from Liberals who do not have faith in corporations or government and are cynical about what can be done in the public sector, but I had hoped for something more from a former Minister of Trade and Commerce.

The Canada Development Corporation bill before us is disappointing in the extreme. It is unimaginative and does not meet the challenge of the crisis in Canadian development. And we are in a crisis. We are facing a situation where we cannot find employment for our people. We have the highest level of unemployment in the western world and have not been able to meet this problem despite the fact that we have imported so much foreign capital that the country has virtually been taken over.

The hon. member for Duvernay (Mr. Kierans) has been criss-crossing Canada pointing out the serious consequences of the policies pursued by the government. He fees that far too much money from outside Canada is going to natural resource industries which do not provide benefits to Canada, do not provide us with tax revenues and employment opportunities and will in the long run destroy the ability of this country to survive.

The public senses that this is a phony bill. There has been almost no interest in it in representations before the committee despite the wide circulation of invitations to groups to appear before the House of Commons committee to present their points of view. The Canada Development Corporation has been met with a great big yawn. That is the kind of reception the government's CDC bill deserves. It is a nothing.

This bill is based on the false and unworkable premise, Mr. Speaker, that it must be a profit-oriented corporation and that is the only way to handle it. We have many profit-making corporations in Canada, so why are we in the sad state in which we find ourselves? Why is our economy virtually wrecked by foreign ownership? It is not because of the absence of a profit motive. We find ourselves in this state today because we have concentrated exclusively on the short-term profit motive; there is such thing as long-term profit. We have concentrated on giving away our resources and we have invited people to come in and virtually do as they please with our economy.

It will take more than this corporation to meet the chalenge of our times, Mr. Speaker. The bill is immoral in the sense that it attempts to take what is now the common property of all Canadians and convert it to the ownership of a few people. Corporations like Polymer have consistently returned a profit to the Canadian taxpayer as have Northern Transportation and Eldorado. It is wrong to take them away from the Canadian people to

whom they now belong and turn them over to a relatively small group which has money to invest.

After all, Mr. Speaker, only about 7 per cent of the Canadian population invests in equities at the moment. Even if more invest in the future, we will still be left with probably no more than 10 per cent and certainly no more than 15 per cent. This means that the minority of Canadians will be taking over the assets of the majority, and there seems to be no reason for this. If there is any justification at all for the CDC as the government sees it, it should stand on its own without having to be sweetened by taking public property and throwing it into the pot.

When we look at this bill we ask ourselves why the government has brought in such an emasculated, anaemic and meaningless piece of legislation and we come to a number of conclusions. The first is that they have been desperately trying to get rid of Crown corporations. The success of Crown corporations like Polymer apparently has been an embarrassment to them. We think they failed to get rid of them in the past because of public pressure, but think they can do it now by establishing the CDC and throwing Crown corporations into that combination.

Another reason is the paucity of equities for Canadian investors. I pointed out in a previous speech that a study conducted at York University indicated that there was a great deal of money in Canada looking for equity investment and it just was not available. Instead of taking action that would have been more appropriate under circumstances of this kind, as suggested by a former Minister of Finance, and insisting that branch plants of international corporations make their shares available in the Canadian market—after all, there is a shortage of equities in this country because of the high degree of foreign ownership of our corporations—the government chose to take the common property of Canadians and say, "You can now invest in these companies." That does not change the problem of foreign ownership. Actually, it makes the situation worse because we shall now take wholly-owned Canadian corporations and put them into a corporation which we are not sure will remain wholly under Canadian control.

• (9:30 p.m.)

The third reason is, I think, an entirely political one. In this I agree with what was said by the hon. member for Prince Edward-Hastings. The government has political reasons for introducing this bill. It has promised to introduce the Canada Development Corporation for eight years. The failure to introduce it became embarrassing, so much so that the government felt it had to do something. This bill is that something. The CDC will not perform any real function. It does not seem to serve any significant purpose. However, since it has been promised in many throne speeches the government has introduced it. They will go into the next election and say, "You wanted the CDC. There it is."

I am afraid that the Liberal party is in for a rude awakening. The public of Canada is far more sophisticated than that party thinks. The public will see through this kind of fraudulent approach. It will see that the corporation is a nothing, that it is not what it purports to be. What the Liberal party may think is a political asset for them may turn out to be the greatest liability they have been burdened with for a long time.

The government's concept of CDC almost totally ignores the much wider problems facing Canada. The terms of reference of the corporation are not designed to help regional development; on the contrary, they will work against regional development because the idea behind the corporation is that it shall be profit-oriented. It is to be set up in anticipation of profits, as has been said.

The clause stipulating that the corporation cannot invest in businesses with capitalization of less than $1 million will work against the possibility of its becoming involved in regional development. The terms of reference of the corporation are the same as those governing companies in the private sector, and the private sector has failed miserably to meet the challenge of providing opportunities for Canadians wherever they may live in this country. The CDC will do nothing to come to grips with these disadvantages.

Instead of pouring millions and millions of dollars into regional development programs in the fond hope that private investment will somehow find its way to the underdeveloped parts of Canada and help in some undefined way, it would have been better if the money had been put into a development corporation which could have been established to bring about positive development. Such a corporation could have introduced a plan, in co-operation with the provinces, for the economic development of the underdeveloped parts of Canada. In that way we could bring proper development to those parts of the country which need industry and development.

The returns on the millions and millions of dollars being poured into the government's regional program are uncertain. On the other hand, by putting this money into a true development corporation we could do a great deal more and we could do it with the certainty that the money would be well spent and the results would be beneficial for areas which we are seeking to help. The government's regional development program is under an enormous cloud. It has become apparent that despite the department's vast expenditures almost no good has been done in the areas it has tried to help. A much better way of helping must be found if we are to solve the problem of regional development.

The CDC, as the government sees it, is to be entirely a short-term proposition. It is to take short-term profits but is not to be concerned with the long-term interests of the country. There is a long-term interest, if I may use that phrase, Mr. Speaker, which needs to be met in this country. For instance, one of our great problems is that we need to rationalize our industry. Foreign investors have foisted an inefficient industrial structure on this country. I want to make it clear that this has not happened merely because investors have been foreign.

Some foreign investment can be advantageous. Most foreign investment in this country, particularly in the manufacturing sector, has been of a kind to benefit the international corporation which is investing. Much of it has not benefited us because foreign corporations did not set up industries which were indigenous to Canada and would have made sense in the Canadian economy. Actually, they set up a Dinky toy representation in this country of the American economy. They foisted on this country a miniature replica of the industrial pattern of the United States. Although that pattern may make sense in the United States, it does not make sense in this country. We may have modern plants; however, because they are not specialized and because many of them duplicate the activities of competitors, much of their production in Canada has proved uneconomical.

I think everyone acknowledges that there is need for an intelligent rationalization of our industry. Although the terms of reference of CDC talk about rationalization, they hamstring the corporation with the basest of motives and the narrowest of objectives. Therefore, the kind of rationalization which ought to take place will not take place. That ought to be a prime function of a development corporation of any kind.

Another of our social and economic objectives has to do with the fair distribution of wealth in this country. However, instead of more widely distributing the ownership and the wealth of Canada we are narrowing that ownership, under this bill, to shareholders of CDC only. As I said earlier, we are taking corporations like Polymer which belong to all Canadians and putting them into the CDC. Thus, we are taking away ownership opportunities for Canadians and concentrating wealth in the hands of those who can invest in the CDC. Surely this is a retrograde step. We ought to be moving in the other direction and ensuring much wider ownership of our resources through the public sector so that all our people could participate in the investment, instead of narrowing the field by taking companies out of the public sector and putting them into the private sector.

If it is not intended that CDC shall come to grips with the question of foreign ownership and the government has carefully reminded us that it does not intend the corporation to do that, then what is the point of it? If it is not to come to grips with foreign ownership, why do we need it? The government says that other government policies are to tackle that problem. We have not seen any evidence of those other policies and in light of experience such statements must be treated with a great deal of suspicion. If there are such other policies, we had the right to be made aware of them before the CDC legislation was brought down, and the terms of reference for setting up CDC ought to have meshed with the aims of such policies instead of being in their present form. We do not know what those policies will be. We do not know what tax policies will be introduced. We do not know what the government's foreign ownership policies will be. We do not know what the policies relating to competition will be.

Surely the kind of development corporation required would depend to a great extent on government policies. It has been our view that CDC should be an instrument of government policy. Instead, CDC as presented to the House is to operate in the private sector. It is to act on its own, to follow the profit motive, and so on. There will be no guarantee that CDC will consider the public interest to a greater extent than any other corporation in the private sector.

The concept of a Canadian development corporation is particularly important to the New Democratic Party. After all, long before the government talked about this corporation our founding convention had dealt with the idea of such a development corporation. We felt it most important that there be such a corporation in Canada. It is for that reason our disappointment is so keen respecting what we have been presented with in this bill. It is also for that reason that we moved a large number of amendments, as it turned out in a vain attempt to change the bill in a way that would make it more acceptable and better adapted to serve the interests of the Canadian people. Every one of those amendments was turned down. It leaves us no choice but to vote against what my leader has called this emasculated version of a Canada development corporation. This is not a Canada development corporation in the sense that we wanted it to be. It is a name, and only a name. For that reason we cannot support the measure.

• (9:40 p.m.)

When we asked the government why the bill was presented in this form instead of a more flexible form that would be more responsive to Parliament and the Canadian people, we were told it was just a philosophical difference between our party and their party and that we see things differently. They did not even have the courtesy to make their arguments to show philosophically why their point of view was valid. They never even attempted to defend it; they simply dismissed our point of view as an ideological difference.

A study of other development corporations was put before the members of the committee. The study showed that no development corporation in any country had been set up in the form of the Canada Development Corporation. In other words, the government has not learned anything from what has gone on in the rest of the world or from their examination of the Canadian economy. There is hardly a country in the world that has not at one time or another actively intervened in its economy. This is even true of the United States which has the greatest hang-ups about government intervention in the economy. In each case they have intervened for different reasons. In Canada there is a most compelling reason why the government must play a more active role in the economy. The reason is that private entrepreneurship has failed the nation. We are in our present state because private entrepreneurs have failed us. That failure must be compensated by public enterprise. It is for this reason that we feel the Canada Development Corporation is of such importance.

It is always sad to participate in a committee hearing when the captains of Canadian industry turn out to be the strongest supporters for continuing foreign owner-

ship. People come before the committee, the representatives of the public, and say they do not want laws against foreign ownership. Their reasons are quite simple and clear. Laws of that type would restrict the opportunities to sell to a wider group of people and might restrict their profits. It is this mentality, coupled with the mentality of continentalist thinking and a government that has given us the highest degree of foreign ownership in Canada, that has made Canadians enormously insecure about their future and their ability to survive this kind of intrusion.

As I listened to the hon. member for Prince Edward-Hastings I could not help wondering what the founder and first leader of his party would have thought of his speech. After all, Canada was built by public enterprise. The Conservative party more than any other party should be aware of this. This country was opened up by public, not private, enterprise. The Prairies were opened up by building the railroads. They were built at enormous expense to the public and tremendous involvement on the part of the government. Ontario Hydro was established by a Conservative government because it felt that businessmen could not function and would not be able to produce efficiently unless there were cheap power. This was not established by Socialists, although perhaps the reasons were socialistic. It was established because businessmen could not develop the industrial potential of Ontario unless cheap power were available. There was no reluctance at that time to bring about this kind of intrusion in the private sector.

Education, which is the infrastructure and backbone of any industrialized nation, is in the public sector. Even our culture is being preserved by the CBC and various grants and assistance to the arts in Canada. If it had not been done in the public sector it would not have been done at all. We would not have anything in Canada but American radio, television, newspapers and books. Banking started out as a private corporation in which all the banks participated after a great debate. After trying to operate in this way for a short time, in 1932, I think it was, it eventually became part of the operation of government. Today we can be proud of the Bank of Canada that we have. We are not proud of all its recent decisions, but on the whole the Bank of Canada is a wise institution. It is under public operation.

Those things in which Canada can take the greatest pride are under public operation, such as health, hospitals and the Canada Pension Plan. I have spoken to Americans who have visited Canada and seen what we have done in these areas. They envy the progressiveness of our public corporations and what they accomplish. I see that the Minister of Transport (Mr. Jamieson) is in the chamber. We are sometimes very unhappy about our railroad system in Canada. There is a great deal that is wrong with the policies of our railroads. However, when you compare the railroads in Canada with those in a country such as the United States, our railroads stand out in startling contrast, particularly when we recognize the tremendous difficulty of transportation in this country.

Our air transport system is infinitely superior. The Americans are talking about doing some of the things which we did a long time ago. Instead of spinning off another company and injecting CP Air, it would have been much better to have made this the prerogative of Air Canada, a Crown corporation. This does not only apply to Canada. In Great Britain, Chamberlain and Birmingham were not Socialists, yet many civil matters in the public sector had to be handled in a public manner. They were not reluctant to do so. Churchill, who would not like to have been called a Socialist, was responsible for bringing the railroads under public ownership. The telegraph operations came under public ownership at the time of Gladstone. I could go on. In the United States, people like Lincoln Steffens pointed out that you could not get rid of corruption in the public utilities until they came under public ownership.

The hon. member for Prince Edwards-Hastings made some remarks about Saskatchewan.

Mr. Gleave: Has he been out there?

Mr. Saltsman: I think he has been reading some fairy tales. He does not know anything about Saskatchewan. One of the things of which Canada has been most proud will be the achievements of the government of Saskatchewan.

• (9:50 p.m.)

Some hon. Members: Oh, oh!

An hon. Member: Back in the thirties.

Mr. Saltsman: Back in the thirties from the very day they started. The hon. member chooses to ignore this little province with its relatively small population. Though not the wealthiest province in Canada, it pioneered virtually every social reform which is now universally accepted.

Mr. Hees: Would the hon. member not agree that I was referring simply to the unfortunate experience of the provincial government in taking over 14 companies all of which collapsed within a very short space of time? I said nothing about the province of Saskatchewan as a province or about the government as a government.

Mr. Douglas: Name the 14 companies.

Mr. Lewis: Name seven.

Mr. Hees: My right hon. friend from Prince Albert named every single one, and members over there sank lower and lower in their seats.

Mr. Lewis: Name seven; never mind 14.

The Acting Speaker (Mr. Laniel): Order, please. The Chair would appreciate it if hon. members would give the hon. member for Waterloo (Mr. Saltsman) a chance to continue.

Mr. Saltsman: I am sorry the right hon. member for Prince Albert (Mr. Diefenbaker) is not here. The hon. member for Prince Edward-Hastings has nothing else to go on except possibly the memory of misreading what he may have seen in *Hansard*.

Some hon. Members: Oh!

Mr. Saltsman: He talks about the failure of corporations in Saskatchewan. It just is not true. Losses of less than one per cent were experienced in capital investment in the province, a rate far more remarkable than any I have known in the field of private corporations. The hon. member chooses to ignore many of the industries which are being continued by a government which is obviously hostile to the previous administration. They dare not dismantle those industries in Saskatchewan. Saskatchewan is the proudest jewel in the Canadian crown and it will be long remembered.

Mr. Hees: Why did the people of Saskatchewan turn the government out?

Mr. Douglas: They did not put a Tory government in.

Mr. Hees: Answer that simple question. Why is this great government not still in power?

Mr. Lewis: Why was Diefenbaker defeated?

Mr. Hees: Trickery!

The Acting Speaker (Mr. Laniel): Order. The Chair finds it difficult to follow the presentation of the hon. member for Waterloo. I would remind hon. members that if they want to speak in this debate, ask questions or raise points of order they should address themselves to the Chair. They should not make all kinds of interjections, otherwise we will make no progress. I call upon the hon. member for Waterloo to continue his remarks and at the same time I ask for the co-operation of hon. members.

Mr. Lang: Would the hon. member permit a question?

Mr. Saltsman: The hon. gentleman will have to get in line. There are too many Tories trying to rise at the moment and I can only answer one Tory at a time. I shall be very glad to deal with the minister's question later. The hon. member for Prince Edward-Hastings knows that if you take a chance in business there are bound to be some failures. I am sure he would not argue that everything in Saskatchewan was bound to turn out successfully. It would be surprising if that were so.

An hon. Member: Like the heavy water plant in Nova Scotia?

Mr. Saltsman: It is not fair for the hon. member, and I know he is a fair man, to distort things in that wildly imaginative way of his, particularly when the chances taken by the government of Saskatchewan were taken for the most excellent of reasons. There are times when a government has to lose money. There are times when a government has to make a choice between profit in a ledger and the lives of people, the social environment of a community. In these circumstances, if a sum of money is lost is a government to be condemned on that account? Is the hon. member saying that every government decision has to show a balance in a ledger?

Mr. Hees: I never said that.

Mr. Saltsman: No; but if we are to discuss this subject in a proper context and if there is to be an intelligent debate on public ownership he has to bear some responsibility for telling the whole story.

Mr. Hees: The right hon. member for Prince Albert did that.

Mr. Saltsman: And the former Premier of Saskatchewan had a complete answer to the statement of the right hon. member for Prince Albert.

An hon. Member: Diefenbaker lasted for four years, but the government of Saskatchewan—

The Acting Speaker (Mr. Laniel): Order.

Mr. Saltsman: Mr. Speaker, this is degenerating into a debate.

Mr. Gilbert: Give Otto a chance.

Mr. Lang: Would the hon. member not agree that a great deal of the tremendous success in Saskatchewan over that period in its history was due to the quality of its people? Many of the other factors might have been due to some of the things mentioned by the hon. member for Prince Edward-Hastings.

Mr. Saltsman: Certainly it was due to the quality of the people, but it was the quality of the people marshalled and directed by an intelligent government. That makes all the difference. There is a great deal of quality among the people of this country generally at the present time, but that potential is not being realized because of the stupidity of government policy.

An hon. Member: That is why Saskatchewan is going ahead now.

Some hon. Members: Oh!

Mr. Douglas: You were not here this afternoon.

Mr. Saltsman: I do not know how that moan will appear in *Hansard*, but the hon. member evidently does not know whereof he speaks. Nothing can go ahead if you give everything away. In Saskatchewan they have given everything away. They have virtually destroyed the potash industry. What the present government has done is a disgrace. The province might have supported two or three mines but they have invited close to ten, none of which is making any money, none of which pays taxes, none of which pays wages. Is that intelligent government?

Some hon. Members: Hear, hear!

Proceedings on Adjournment Motion

PROCEEDINGS ON ADJOURNMENT MOTION

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

HEALTH—INQUIRY AS TO APPOINTMENT OF NATIONAL COUNCIL

Mr. P. B. Rynard (Simcoe North): Mr. Speaker, I asked the minister in the House last week whether consideration was being given to setting up a national council of health to correlate the various facets of research. As the situation is now, the ground is continually shifting as provincial and federal governments argue about who shall pay for the nation's health needs. Meanwhile, those in charge of medical education live a hand-to-mouth existence. The federal government brought in medicare. They based it on the findings of the Hall commission report which recommended that doctors, drugs and hospital beds must be available for all regardless of economic status. The report stressed that an immediate, all-out effort should be undertaken to increase the number of medical schools in order to train the increased number of doctors who would be required. This, of course, meant that money was needed, so the government set up what was called a health resources fund. It was established to help the province provide new schools, new equipment, scientist-teachers and the doctors required for research teaching and medical care.

• (10:00 p.m.)

What happened, Mr. Speaker? One of the first acts of the government was to cut back on the money it had promised and agreed to provide the health resources fund. It is interesting to note that the present Deputy Minister of Health, Dr. LeClair, who has had a good deal of experience as dean of the medical school at the University of Sherbrooke and received training at the Mayo Clinic, one of the outstanding clinics in the world, is quoted as saying:

> Research and medical education is not something you pump for two or three years and then let the pump go dry.

It just does not work in that way; there has to be a steady increase in education on which you can count. I could quote other deans of medical schools in Canada who have expressed similar opinions to the effect that long-term planning is an essential of any health measure as well as short-term projects. Many of these projects were left unfinished when the health resources fund was cut. Incomplete buildings were left for the provinces to finish or to lie as a stark monument to the folly of government policies. The result has not only been a slowdown in the training of doctors but the quality of teacher-scientists has diminished. The priority of equipping and training doctors has been seriously impaired.

As a result, Mr. Speaker, we have people today who have no doctor. Entire areas are without medical care. At overworked outpatient departments of hospitals people wait, often for hours, for an overworked doctor to treat them. The doctor image is being destroyed because of lack of time for proper communication and owing to the swamping of the doctor's time to fill in forms and papers, and red tape of this kind.

Drug care was to be a supplement to medicare so that the poor patient of limited resources would not only have his doctor's bill paid but also his drugs. Not a thing has been done in this regard. I raised this question in the House on a motion and government speakers who replied were in total agreement in principle with the motion. But what has been done to implement it? Paramedical services have been neglected. The poor people still do not know who is going to pay their bills. Individual doctors who are doing research are denied funds for clinical research purposes. This, then, is the reason we need a Canadian council of health. We need to set down priorities that will be followed and which will obtain the maximum result for the taxpayers' dollars.

Dr. John C. Beck, physician and chief director of McGill University's clinic at Montreal's Royal Victoria Hospital, has stated that although seven years ago national goals were defined by the Hall commission report on health services there is still no national science policy for health. Dr. Beck stated that a national health policy would seem to be of the very highest priority when costs are escalating and taking 6 per cent of the gross national product, $7 billion.

Federal and provincial governments have not stated their policies or their plans for health services systems. They have not stated their policy on financial support for the training and necessary research for such systems. Instead, we have unco-ordinated expansion of facilities and excessively expensive arrangements for the delivery of health services, and the cost is much higher than it ought to be.

We have been unable to formulate and implement planned programs for developing health manpower, for recruiting staffs to the health science centres and for carrying out good scientific research. Dr. Hollenberg, professor and chairman of the University of Toronto school of medicine, states that Canadian medical scientists are experiencing considerable uncertainty over the national effort on medical research. There is a slowing rate of growth in the budget of the Medical Research Council of Canada—

The Acting Speaker (Mr. Laniel): Order, please. I regret to interrupt the hon. member, but his time has expired.

Mr. Rynard: I did not start right on time, Mr. Speaker. I have another minute.

The Acting Speaker (Mr. Laniel): It is not for the hon. member to decide. The Chair allowed 30 seconds for the presentation of the adjournment motion and it feels that this is sufficient to compensate for the time lost. I am positive the hon. member has received his seven minutes by the rules of this House and I now call upon the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney).

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as the Minister of National Health and Welfare (Mr. Munro) stated in reply to the question of the hon. member for Simcoe North (Mr. Rynard), we do not agree with the hon. member's premise that there is no national health science policy. Health science is the responsibility of the Minister of National Health and Welfare and he carries out this responsibility through his department and through the Medical Research Council. These bodies are continually co-operating on matters of science policy and, as a matter of interest, are at this time reviewing together the entire question of health science research. In addition, the Minister of National Health and Welfare and officials of his department co-operate closely with federal, provincial and municipal authorities and with universities and health science associations.

The concept of a national council on health is not new. It was considered in depth at the November, 1970, meetings of the Dominion Council of Health and the ministers of health. The department is looking into this matter now but the minister has asked me to remind the hon. gentleman from Simcoe North that the creation of such a body has widespread implications and consultation on a large scale is necessary.

HEALTH—ALLEGED USE OF STALLING TACTICS TO PREVENT ABORTION APPLICATION BEING DEALT WITH

Mrs. Grace MacInnis (Vancouver-Kingsway): Mr. Speaker, I am glad to be able to raise this matter again just when the Medical Association has registered its opinion that abortion is justified on non-medical social grounds. On May 20 I asked the Minister of Justice (Mr. Turner) about a complaint by Dr. Byron Hyde, a general practitioner on the staff of the Riverside Hospital in Ottawa, that stalling tactics are being consistently used by those in charge of the hospital to prevent abortion cases from coming before their review board. I asked the minister if he would consult with the minister in charge of hospitals in Ontario to see what could be done about this dangerous and indefensible roadblock. The answer was silence, complete and unbroken silence.

I do not think this is good enough. The Minister of Justice is in charge of the Criminal Code which legalizes abortion where the life or health of the pregnant woman is in danger. The minister is fond of quoting the definition of "health" given by the World Health Organization:

> Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity.

Evidently certain hospitals like Riverside refuse to accept this definition when it is applied to abortion. They refuse to accept "social well-being" as an essential part of a woman's health; and they crack down on it so efficiently that women are obliged to leave their own doctor and shop around other hospitals in Ottawa or elsewhere, including the state of New York. Meanwhile the nine-month time clock keeps ticking away relentlessly.

Obviously no hospital is going to acknowledge that it is deliberately undermining the law of the land by openly throwing up roadblocks in the way of legal abortions. But equally obviously, many hospitals like Riverside can organize their abortion committees effectively to prevent legal abortions. To quote Mr. Jackson Bryan, Riverside's administrator:

> If there was any emergency, Dr. Hyde could have applied to the Civic or Grace Hospitals.

To quote Dr. Hyde:

> The fact is, every unwanted pregnancy is an emergency. Can Mr. Bryan's statement mean anything other than that Riverside is not available for consideration of therapeutic abortions? ... The fact is, the Riverside Hospital, like many Ontario hospitals, takes the federal law and adds its own riders to make the law unworkable. The abortion law is part of the federal Criminal Code.

I am convinced that it is time now for the Minister of Justice to put an end to this chicken and egg war. If the Criminal Code is such that provincial hospital authorities can add riders to it to suit their own prejudices, let the minister meet with the appropriate provincial authorities to see that the law is applied equally to all citizens. Right now the abortion provisions are gambling with the lives of women who are so unfortunate as to live where hospital authorities are determined to flout the spirit of the law, if not its letter, to keep them out.

• (10:10 p.m.)

A few days ago Lore Perron, founder and president of ARCAL, the Association for the Repeal of Canadian Abortion Laws, showed reporters a copy of a letter dated March 20 to A. B. R. Lawrence, Ontario health minister. It pointed out that of six general hospitals in the Ottawa-Hull area three have no abortion committees because they are administered by religious organizations. And at the Riverside Hospital the chief and the assistant chief of obstetrics and gynecology oppose abortion because of their religious convictions, as do other members of the abortion committee. That letter said that for health reasons, mental and physical, they will not grant abortions, which leaves the Ottawa Civic Hospital carrying the load for at least four of the major hospitals.

Mrs. Perron made the very just and sensible comment that doctors obviously prejudiced against abortion should not be appointed to abortion committees. She also stated the following and I would like particularly to draw this to the attention of the minister:

> Hospitals receiving public funds, whether or not they are being administered by religious organizations, should be instructed by the province that they must permit doctors who have privileges at a hospital to use its facilities.

This, of course, would permit Dr. Byron Hyde to perform an abortion on a patient at the Riverside Hospital even if the chief and the assistant of obstetrics and gynecology were opposed to the idea of abortion. As Dr. Hyde himself remarked:

> Riverside Hospital physicians who support impediment of the federal law are remnants of another era, and they have their counterparts in hospitals across the land.

It is time for the Minister of Justice to assure himself and the rest of us that the law will be applied with even-handed justice.

Proceedings on Adjournment Motion

Mr. Albert Béchard (Parliamentary Secretary to Minister of Justice): Mr. Speaker, as the hon. lady very well knows, the provisions of the Criminal Code are in the first instance prohibitory insofar as abortion is concerned, and then provision is made for certain exceptions. The manner of qualifying for those exceptions is clearly set out in section 237 of the Criminal Code and is a matter which is entirely within the jurisdiction of the people named therein, who are the Minister of Health, the board of an approved or accredited hospital, a qualified medical practitioner and, if a hospital chooses to establish one, a therapeutic abortion committee. With respect to the practice in any particular hospital and the exact manner in which any application for abortion is processed by the people who are lawfully entitled to consider it, this is not a matter which should concern the Minister of Justice.

BROADCASTING—POLICY ON ISSUANCE OF LICENCES TO AGENTS OF CROWN IN PROVINCES

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I am here tonight on the adjournment motion debate because of a few loose remarks by the Prime Minister (Mr. Trudeau). On Thursday June 3, as recorded at page 6324 of *Hansard*, I asked the Prime Minister if there was any change in federal policy prohibiting the issuance of broadcasting licences. Among other things, the Prime Minister said that there is no encroachment upon the policies of the federal government. Later, on June 7, and again in reply to a question to the Prime Minister on the proposed sale of the assets of National Cablevision Limited to a consortium of interests, the Prime Minister said as recorded at page 6412 of *Hansard*:

> I understand that the purchase was not by any government, but mainly by insurance companies. Therefore it is a private purchase.

Mr. Speaker, it may be all right for the Prime Minister to go to Russia and issue either naïve or simplistic statements about the federal institution in Canada or about the status of Ukrainians in Canada, but when it comes to a question as basic as federal power in broadcasting, for example the issuance of broadcasting licences, I suggest it is time he should be held accountable for his words.

A quick review of some of the regulations and of the legislation of the Prime Minister's government would show, first, that the issuance of broadcasting licences is an encroachment on federal policy and, second, that it is not a private matter, a matter of a sale between insurance companies, because the proposal filed on May 31 before the CRTC is for the sale of controlling interests of National Cablevision Limited to, among others, Caisse de Dépot et Placement du Québec, the Quebec Deposit and Investment Fund. The controlling interests of the Quebec Deposit and Investment Fund amount to 30 per cent, which under section 29 of chapter 23 of the Statutes of Quebec of 1965 is the maximum that the fund can hold in any company, and that is the controlling interest in the proposed application. Section 4 reads:

> The fund shall be an agent of the Crown in right of the province.

[Mrs. MacInnis.]

Yet the Prime Minister stands in this House and says that this is a private matter and is not an encroachment on federal policy. A directive of his government issued on June 4, 1970, pursuant to section 27 of the Broadcasting Act says, among other things:

> The Canadian Radio-Television Comission is hereby directed that, on and after the 4th day of June, 1970, broadcasting licences may not be issued—

The following people are named. Section 2(a) reads:

> Her Majesty in right of any province and agents of Her Majesty in right of any province—

Section 3 reads:

> For the purposes of this direction, "agents of Her Majesty in right of any province" means any agents of Her Majesty in such right and includes a municipal or public body empowered to perform a function of government in a province or any corporation empowered to perform a function or duty on behalf of Her Majesty in such right.

Therefore, I submit that it is clear, on the face of the Prime Minister's directive issued by his own cabinet pursuant to the Broadcasting Act, that no licence can be issued under the present broadcasting policy to an agent in right of a province, which is what the Quebec Deposit and Investment Fund is, pursuant to section 4.

My question to the Prime Minister was whether there has been or will be a change in federal policy. He pretended to be frivolous or facetious and suggested that there was not to be any change. Later he said it was a private matter. When there are serious constitutional discussions in Victoria on the shape and size which Canada is to take as we move into the 1970s, I suggest that it is contempt of Parliament for the Prime Minister to treat such a serious matter in this frivolous way.

It may be all right for the Secretary of State (Mr. Pelletier), who is charged with the responsibility of answering for the CRTC to this House, to say that he is joyful now that the minister responsible for broadcasting in the province of Quebec has worked out a particular deal with the federal authorities so that the impasse or dispute on cablevision can be resolved, and I am not suggesting that it may not be an adequate and proper method by which the federal and provincial governments can work out their difficulties; but I suggest in all seriousness that it is close to contempt of Parliament to say that there is not to be a change in broadcasting policy.

• (10:20 p.m.)

If the policy on June 4, 1970, had any application or relevance, then there has to be consistency with what has been suggested by the Prime Minister. If there is to be a change, let the government admit it. If there is not, then the CRTC should not even be charged with considering the application which it has on file.

Mr. Albert Béchard (Parliamentary-Secretary to Minister of Justice): Mr. Speaker, the case to which the hon. member is referring represents a private contract for transfer of shares in cable companies between two groups, one of which is selling and is now controlled by American interests. This is one of many such transfers to Canadian-controlled companies as a result of a directive of the government to the CRTC.

An application has been filed, according to usual procedures, with the CRTC and will be heard at a public hearing in Ottawa on June 28, as was stated yesterday or the day before. It is the responsibility of the CRTC in reaching a decision to interpret the Broadcasting Act and the directives received from the government. Such interpretations have been made in very many decisions involving foreign ownership. The act sets out adequate legal procedures if in one's view a decision represents an incorrect interpretation of the Broadcasting Act or of the directives of the Governor in Council under Section 22.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Wednesday, June 9, 1971

The House met at 2 p.m.

ROUTINE PROCEEDINGS

COMMITTEES OF THE HOUSE

FISHERIES AND FORESTRY

Fourth report of Standing Committee on Fisheries and Forestry—Mr. Goode.

LABOUR, MANPOWER AND IMMIGRATION

Fourth report of Standing Committee on Labour, Manpower and Immigration—Mr. Turner (London East).

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

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CONSTITUTIONAL CONFERENCE

ATTENDANCE OF SPECIAL JOINT COMMITTEE—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Melvin McQuaid (Cardigan): Mr. Speaker, with the unanimous consent of the House I rise to propose a motion on a matter of urgent and pressing necessity.

Next week a conference takes place in Victoria on the most important questions of patriating the Constitution and devising an amending formula. Additionally, other substantial constitutional questions will be discussed. The meeting will be in closed session. The Prime Minister (Mr. Trudeau) has refused the request of the Leader of the Opposition (Mr. Stanfield) that the opposition parties be permitted to send observers. The Joint Committee on the Constitution has held more than 100 meetings in 40 cities and towns throughout the 10 provinces and in the Yukon and Northwest Territories, and 1,000 Canadians have voiced their opinions in 5,641 pages of evidence. I therefore move, seconded by the hon. member for Brandon-Souris (Mr. Dinsdale):

That this House is of the opinion that the Special Joint Committee of the Senate and House of Commons on the Constitution should be permitted to attend the Federal-Provincial Conference on the Constitution being held next week at Victoria as an observing body and that the committee should be permitted to give the conference the benefit of the knowledge accumulated by the committee at tremendous expense to the taxpayers of Canada.

Some hon. Members: Hear, hear!

Mr. Speaker: The House has heard the motion proposed by the hon. member for Cardigan. This motion is proposed under the terms of Standing Order 43, and requires the unanimous consent of the House. Is there such consent?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity and the motion cannot be put.

[*Translation*]

REGIONAL ECONOMIC EXPANSION

TABLING OF ARDA AGREEMENTS WITH CERTAIN PROVINCES

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, in accordance with Standing Order 41(2) I wish to table copies of agreements signed recently between the federal government and the governments of Newfoundland, Nova Scotia, New Brunswick, Quebec, Manitoba and Saskatchewan within the framework of the ARDA program.

[*English*]

Mr. McGrath: On a point of order, the translation system was not working when the minister was speaking.

Mr. Marchand (Langelier): I am tabling the ARDA agreements with Newfoundland, Nova Scotia, New Brunswick, Quebec and a few other provinces.

Mr. Speaker: I hope the translation system was working this time.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

MONEY RECEIVED BY PERSONNEL ENGAGED UNDER OPERATION LIFT, SASKATCHEWAN

Question No. 1,175—**Mr. Skoberg:**

With reference to the return made to question No. 779 on February 10, 1971, how much money did (a) Edgar Lewis Cook, Birch Hills (b) Peter Demong, St. Benedict (c) Joseph Gorieu, Reynaud (d) Ward Jo Heffernan, Birch Hills (e) John Markowsky, Wakaw (f) Regis Arthur Reynaud, Reynaud (g) Dominique Rocher, St. Brieux, all in Saskatchewan, receive?

Hon. H. A. Olson (Minister of Agriculture): Cook, E.L., Demong, P. B., Gorieu, J. G., Heffernan, J. W., Markowsky, J. A., Reynaud, A.R., Rocher, D.M., employed as part-time inspectors, receive the standard rate of $16 per day plus travel expenses for the period August 1,

1970 to July 31, 1971 on an, as and when required basis, in accordance with the terms contained in order in council P.C. 1965-1/2020 of November 16, 1965 and para. (2) of order in council P.C. 1964-1/1508 of October 1, 1964.

HIJACKING—AMENDMENTS TO CRIMINAL CODE AND EXTRADITION TREATIES

Question No. 1,284—**Mr. Fortin:**

1. At what stage are the studies concerning amendments to the Criminal Code making the hijacking of planes a crime?

2. At what stage are the negotiations concerning amendments to the extradition treaties to include the hijacking of planes?

Hon. John N. Turner (Minister of Justice): 1. The studies are well advanced.

2. Negotiations for amending the Canada-U.S. Extradition Treaty are already underway. Officials of the Canadian Department of Justice and the Department of External Affairs held discussions on this matter in Washington last March. Further discussions are scheduled to be held in Ottawa in June.

DEPARTMENT OF NATIONAL HEALTH AND WELFARE, QUEBEC CITY—EMPLOYEES' GRIEVANCES

Question No. 1,356—**Mr. Godin:**

1. Since 1965, have any grievances been made by employees of the Department of National Health and Welfare, family allowances and old age security division, in the Quebec City office and, if so, (a) on what dates were they made (b) on how many occasions?

2. How many classification officers have investigated and how many employees have been personally consulted on the matter?

3. Is the report of the investigations available to (a) interested employees (b) Members of Parliament?

[*Translation*]

Hon. John C. Munro (Minister of National Health and Welfare): 1. Yes, since 1965 grievances have been received from employees of the Department of National Health and Welfare, Family Allowances and Old Age Security Division in Quebec City. (a) Departmental records show that these grievances were submitted in November 1968, December 1968, July 1969, March 1970, September 1970, February 1971, March 1971. (b) Departmental records show that 65 grievances have been submitted.

2. Three classification officers have investigated these grievances and 12 employees have been personally consulted.

3. (a) The reports of the investigations are confidential internal documents and are not available to the public. (b) The reports of the investigations are confidential internal documents and are not available to Members of Parliament.

[*English*]

NATIONAL FILM BOARD—PRESENTATION OF JOHN DE VISSER'S "NEWFOUNDLAND"

Question No. 1,362—**Mr. Peddle:**

With regard to the National Film Board photographic presentation of John de Visser's "Newfoundland" on April 15, 1971

[Mr. Olson.]

(a) is Mr. de Visser a Canadian (b) in the use of the name of the Province, both on the official invitations and in the background display at the Photo Gallery, for what reason are the letters F and L capitalized (c) since Newfoundland became the tenth province over 22 years ago, for what reason was the opening of the photographic presentation presided over by the Associate Under-Secretary of State for External Affairs?

[*Translation*]

Hon. Gérard Pelletier (Secretary of State): I am informed by the National Film Board as follows: (a) Mr. de Visser, foreign born, became a Canadian citizen in 1952. (b) Letters F and L were capitalized as a design technique. (c) Mr. Paul Tremblay, Associate Under-Secretary of State for External Affairs, presided in his capacity as a Member of the Board of the National Film Board.

[*English*]

POSSIBILITY OF CLOSING OF AIR STRIPS IN JASPER AND BANFF NATIONAL PARKS

Question No. 1,366—**Mr. Woolliams:**

Is it the intention of the Department of Indian Affairs and Northern Development to close down the air strips in Jasper and Banff National Parks in the near future?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): 1. It is National Parks' policy to end the use of established airfields in national parks as alternative airports are established outside park boundaries. The question of the Banff and Jasper airfields was included in the recent public hearings on the provisional master plans for these parks. No decision on the future of these airfields will be made until the submissions made at the public hearings have been thoroughly reviewed. Therefore, it is not the intention of the department to close these airports in the near future.

STORAGE OF CANADIAN ECONOMIC DATA IN U.S. DATA BANKS

Question No. 1,380—**Mr. MacDonald (Egmont):**

1. To the knowledge of the government is economic data on the Canadian economy stored in data banks in the United States.

2. Does the government provide this information?

3. Is this data available to the Canadian government?

Hon. E. J. Benson (Minister of Finance): 1, 2 and 3. Public data may be stored by anyone.

REDUCTION IN PAYMENTS UNDER WAR VETERANS ALLOWANCE ACT

Question No. 1,450—**Mr. Mazankowski:**

1. What was the total reduction in payments made under the War Veterans Allowance Act, in lieu of the increases in the old age supplement and the guaranteed income supplement, during the fiscal years 1969-70 and 1970-71?

2. What is the projected reduction in such payments for the fiscal years 1971-72?

Hon. Jean-Eudes Dubé (Minister of Veterans Affairs): 1. Nil.

2. The reduction in war veterans allowances and civilian war allowances expenditures has been forecast at $5,375,-000 as indicated on page 29-14 of the Blue Book on Estimates for the year 1971-72. However, because of recently approved increases in rates and income ceilings, individual war veterans allowance and civilian war allowance recipients who are also in receipt of old age security pension and guaranteed income supplement will benefit from a higher income than they did in previous years.

INCENTIVE GRANTS TO REMBOURRAGE INDUSTRIEL KÉBEC, INC. AND POLYÉTHYLÈNE KÉBEC INC.

Question No. 1,465—**Mr. Caouette:**

During the past three years did the Department of Regional Economic Expansion make any grants to (a) Rembourrage Industriel Kébec Inc. (b) Polyéthylène Kébec Inc. and, if so, in what amounts?

[*Translation*]

Mr. Martin P. O'Connell (Parliamentary Secretary of Minister of Regional and Economic Expansion): As listed in the report on the operation of the Regional Development Incentives Act for the month of April, which was tabled in the House of Commons May 11, 1970, accepted offers were: (*a*) $125,000 (15% of approved capital cost and $1,000 per job); (*b*) $321,000 (16% of approved capital cost and $1,000 per job).

[*English*]

GOVERNMENT INTENTION REGARDING DOLLAR EXCHANGE RATE

Question No. 1,474—**Mr. Yewchuk:**

Does the government intend to (a) maintain a floating exchange rate (b) return to the fixed exchange rate before January of 1972 (c) experiment with a new *de facto* parity, with a wider band of permitted fluctuation before January of 1972?

Hon. E. J. Benson (Minister of Finance): The government's intentions in this regard would be announced in the normal manner.

CONSIDERATION OF REMOVAL OF EXCISE TAX ON TELEVISION SETS

Question No. 1,510—**Mr. Robinson:**

Will the government consider the advisability of removing the 15% excise tax on television sets?

Hon. E. J. Benson (Minister of Finance): This is a matter of government policy. If the government should decide to make any change in the taxation of television sets, it would be announced at the appropriate time.

Orders for Returns

QUESTIONS PASSED AS ORDERS FOR RETURNS

TAX ON ALCOHOLIC BEVERAGES, 1960-70 INCLUSIVE

Question No. 896—**Mr. Robinson:**

1. What is the total amount of tax on alcoholic beverages obtained by the government in each year 1960 to 1970 inclusive?

2. What amount of money has been utilized by the government toward the problem of alcoholism in each of the same years?

Return tabled.

APPLICATIONS FOR CANADA COUNCIL DOCTORAL FELLOWSHIP GRANTS

Question No. 1,321—**Mr. Rose:**

1. For each of the past five years, how many first applications have there been for Canada Council Doctoral Fellowship Grants in Category I for each Canadian University by main discipline of study?

2. For the same period of time, how many new applications have there been for Canada Council Doctoral Fellowship Grants in Category II (b) by main discipline of study?

3. How many applications in each main discipline of study were accepted in Category I and II in each of the past five years?

4. What per cent of the income available for grants in each of the five years went to Category I and Category II (b) doctoral fellowship grants?

Return tabled.

GRANTS THROUGH DEPARTMENT OR AGENCIES OF SECRETARY OF STATE

Question No. 1,323—**Mr. Paproski:**

What grants, in what amounts, have been authorized since April 1, 1970, to organizations and associations through the department or agencies for which the Secretary of State has responsibility?

Return tabled.

• (2:10 p.m.)

Mr. Orlikow: Mr. Speaker, question No. 79, which has been on the order paper since the first day of this session, asks for information about consultants hired by the Prime Minister's office. Can the parliamentary secretary tell me whether I can expect an answer shortly or, if there is to be no answer, can the hon. gentleman so advise me in order that I may seek the information I want by other methods?

Mr. Jerome: The preparation of the reply to that question is not under my personal supervision. Accordingly I am not able to make any statement of the kind requested at the present time.

MOTIONS FOR PAPERS

Mr. J. A. Jerome (Parliamentary Secretary to President of the Privy Council): Mr. Speaker, would you be so good as to call Notices of Motions Nos. 214, 215, 216, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228 and 229.

Motions for Papers

COPY OF STUDY OF NORTHERN MINERAL EXPLORATION ASSISTANCE PROGRAM

Motion No. 214—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development on the evaluation of the operation of the Northern Mineral Exploration Assistance Program.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I notice that 13 motions in the name of my hon. friend from Skeena are being called today, namely, this one and 12 more. If by any chance the answer is to be the same to all of them, perhaps we could have it just once. If they are being refused, I would ask that they be transferred for debate individually.

Mr. Jerome: The Parliamentary Secretary to the Minister of Indian Affairs and Northern Development is here to give the answer, but I believe the hon. member for Winnipeg North Centre has anticipated the situation correctly. It might be we could save a lot of time by following his suggestion.

Mr. Knowles (Winnipeg North Centre): May we at least have the statement of refusal?

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, the study referred to in motion No. 214 was prepared for internal use only and as such it is considered confidential. I would therefore ask the hon. member to withdraw his motion.

Mr. Knowles (Winnipeg North Centre): If that is to be the answer to all 13, may I ask that all 13 be transferred for debate?

Mr. Speaker: Transferred for debate.

COPY OF STUDY OF MINERAL DEVELOPMENT OPERATIONS OF ANVIL MINES LIMITED

Motion No. 215—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development and the Department of Energy, Mines and Resources, on the economic analysis of the mineral development operations of Anvil Mines Limited.

Transferred for debate.

COPY OF STUDY OF PROPOSED OPERATION OF BAFFINLAND IRON MINES LIMITED

Motion No. 216—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development and the Department of Energy, Mines and Resources, on the economic evaluation of the benefits to the Company and to the Crown, under different alternatives, of the proposed operation of Baffinland Iron Mines Limited.

Transferred for debate.

[Mr. Jerome.]

COPY OF STUDY OF MINERAL POTENTIAL OF MOUNT NANSEN MINES LIMITED

Motion No. 219—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development evaluating the mineral potential of the property of Mount Nansen Mines Limited.

Transferred for debate.

COPY OF STUDY OF MINERAL POTENTIAL OF ECHO BAY MINES LIMITED

Motion No. 220—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development on the evaluation of the mineral potential of the property of Echo Bay Mines Limited.

Transferred for debate.

COPY OF STUDY OF MINERAL POTENTIAL OF VENUS MINES LIMITED

Motion No. 221—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development on the evaluation of the mineral potential of the property of Venus Mines Limited.

Transferred for debate.

COPY OF STUDY OF PROPOSED EXPLORATION PROGRAM OF SELWYN EXPLORATION LIMITED

Motion No. 222—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development evaluating the proposed exploration program of Selwyn Explorations Limited.

Transferred for debate.

COPY OF STUDY OF MINERAL POTENTIAL OF ARCTIC MINING AND EXPLORATION LIMITED

Motion No. 223—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development evaluating the mineral potential of the property of Arctic Mining and Exploration Limited.

Transferred for debate.

COPY OF STUDY OF MINERAL POTENTIAL OF CASSIAR ASBESTOS CORPORATION LIMITED

Motion No. 224—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development evaluating the mineral potential of the Clinton Creek property of Cassiar Asbestos Corporation Limited.

Transferred for debate.

COPY OF STUDY OF MINERAL POTENTIAL OF NEW IMPERIAL MINES LIMITED

Motion No. 225—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development evaluating the mineral potential of the property of New Imperial Mines Limited.

Transferred for debate.

COPY OF STUDY OF MINERAL POTENTIAL OF CANADA TUNGSTEN MINING CORPORATION LIMITED

Motion No. 226—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development evaluating the mineral potential of the property of Canada Tungsten Mining Corporation Limited.

Transferred for debate.

COPY OF STUDY OF MINERAL POTENTIAL IN CANADA CEMENT COMPANY LANDS

Motion No. 227—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development evaluating the mineral potential in Canada Cement Company lands adjacent to Banff National Park.

Transferred for debate.

COPY OF STUDY OF MINERAL POTENTIAL OF CTR LANDS

Motion No. 228—**Mr. Howard (Skeena):**

That an Order of the House do issue for a copy of the study conducted by the Development Analysis Section of the Northern Economic Branch of the Department of Indian Affairs and Northern Development evaluating the mineral potential on CTR lands in Banff National Park.

Transferred for debate.

Mr. Jerome: May I ask that the remaining Notices of Motion be allowed to stand?

Mr. Speaker: It is the wish of the parliamentary secretary that No. 229 in the name of the hon. member for Vegreville be allowed to stand?

Mr. McCleave: Mr. Speaker, I wish to raise a question of privilege concerning Notice of Motion No. 211 which asks that the letter from the Prime Minister of Quebec to the Prime Minister, and the response thereto, dealing with the extension of the Public Order (Temporary Measures) Act be laid before the House. Since these letters have already been published, in effect, by the Prime Minister's office, I cannot understand why the government does not show me the courtesy, as a Member of Parliament, of tabling this correspondence in a proper manner in accordance with my motion.

Mr. Speaker: Perhaps I might return to motion No. 229. A moment ago I inquired whether it was the wish of the parliamentary secretary that this motion stand.

Mr. Jerome: I am sorry, Mr. Speaker. It is not. The reply to that Notice of Motion will be the same as the reply to the others which have already been dealt with. I would assume the result would likely be the same.

Mr. Woolliams: What does the distinguished member mean by "the same"? Does he want us to withdraw it? I do not follow him.

Mr. Jerome: Perhaps it would be simpler to withdraw it.

CORRESPONDENCE PERTAINING TO OPERATIONS OF ELK ISLAND NATIONAL PARK

Motion No. 229—**Mr. Mazankowski:**

That an humble Address be presented to His Excellency praying that he will cause to be laid before this House copies of all correspondence, telegrams and other documents exchanged between the Canadian Wildlife Service and the Parks Administration of the Department of Indian Affairs and Northern Development, pertaining to the operations of Elk Island National Park, relating to all research studies and recommendations with respect to the maintenance of a healthy and viable wildlife animal population balance, taking into consideration such factors as climatic conditions, availability of natural food supplies, artificial feeding program, predators and all other factors affecting the proper population of animals and management of same in relationship to their habitat.

Mr. Judd Buchanan (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): The study referred to in this motion was prepared for internal use only and as such is considered confidential. I would therefore ask the hon. member to withdraw his motion.

Mr. Woolliams: I have never heard of such nonsense. We will have to debate it.

Mr. MacEachen: Transfer for debate.

Mr. Speaker: Transferred for debate. Shall the remaining motions stand?

Mr. McCleave: Mr. Speaker, I raised what I regard as a legitimate question of privilege. Either I am a representative of the people and must be given certain rights in this place or I am not. If the government feels it can release correspondence completely oblivious of this Notice of Motion that I put on the order paper, perhaps we should be asking what we are here to perform. I put his motion on the order paper in good faith on April 5, 1971. There has been no response whatever to it except by the left-handed action of releasing the correspondence in some other fashion. As a Member of Parliament I think I am entitled to the courtesy of some response from the government to what is a serious Notice of Motion.

Mr. Speaker: About the only answer that the Chair can give the hon. member at the moment is that I will look into the matter and see whether there is any way the Chair can, through its interest in this question, obtain redress of the hon. member's grievance.

Inquiries of the Ministry

ORAL QUESTION PERIOD

SOCIAL SECURITY

ALLEGED FEDERAL OFFER TO PAY HALF OF COST OF COMPREHENSIVE PROVINCIAL PROGRAMS

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, I had a question for the Minister of National Health and Welfare. I do not know whether he has found it necessary to flee the capital, but in any event I will address it to the Acting Prime Minister who is very knowledgeable in the field of welfare. Has the federal government offered to pay half the cost of comprehensive social security programs, along the lines being advocated by the province of Quebec, to any province adopting such a program and, if so, would the government now table the proposal in view of the leaks that have already taken place?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I had an opportunity to discuss the question of the conference with the Minister of National Health and Welfare last evening and asked him what it would be possible to state respecting the discussions that took place yesterday. As a result of that discussion I must advise the Leader of the Opposition that it was understood that the discussions and points of views expressed at the conference yeterday were confidential among governments and that a communiqué had not even been issued in view of the private nature of the discussions. For that reason, I regret that I cannot throw any further light on the question that has been raised by the Leader of the Opposition.

Mr. Stanfield: Mr. Speaker, this really makes one wonder what Parliament is for, but I will put my question in a way that I hope will enable the minister to answer. Is the government of Canada prepared to offer to pay half the cost of such a program adopted by any province? What is the position of the government with regard to that, regardless of what may have been said at the conference?

Mr. MacEachen: Mr. Speaker, the details of the government's policy respecting the whole field of income security have been outlined in the minister's paper. As the Prime Minister stated only yesterday, I believe, that document was the main basis for discussion with the provinces at the conference yesterday. There is nothing I can add to that particular statement today.

Mr. Stanfield: Mr. Speaker, is the minister saying that the position of the government of Canada is the position outlined in the white paper presented in the House last December? Is he making the assertion that this is still the position and that the government has not made a different proposal or adopted a different position from that outlined in the white paper tabled in the House? In other words, is the government just playing games with the House?

Mr. MacEachen: Mr. Speaker, the hon. gentleman will appreciate that it would be difficult for me to disclose the discussions that took place yesterday because of the understanding that was reached at the conference. What I did say was that the basic document in the field was the document put forward by the Minister of National Health and Welfare. Obviously there will be discussions centred around that proposal and points of view will be put forward by the provinces at the conference.

[Mr. Speaker.]

MAINTENANCE OF RIGHT OF FEDERAL GOVERNMENT AND PARLIAMENT TO SET NATIONAL STANDARDS

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question to the Acting Prime Minister. Will he assure the House that in all of these dealings and discussions with the provinces over social security and other matters the federal government will not bargain away the right of the federal government and the federal Parliament to set national standards in the field of social security?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, there may be various interpretations as to the precise definition of "national standards", and I do not want to debate that point. But I really want to repeat what the Prime Minister has already stated, that the position of the federal government is not to bargain away the jurisdiction it already possesses in this field.

INAUGURATION BY PROVINCES OF GUARANTEED INCOME SCHEMES UNDER CANADA ASSISTANCE PLAN

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my second question is a supplementary to the other part of the question asked by the Leader of the Opposition. Can the minister tell us if the provinces have been advised whether they cannot already under the Canada Assistance Plan inaugurate guaranteed income plans in respect of which the federal government would pay 50 per cent?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, that is a slightly different question to the one put by the Leader of the Opposition. I am not aware that any official advice has been given to that effect by the minister. I am simply not aware that that advice has been conveyed.

[*Later:*]

MANITOBA SUGGESTION THAT FEDERAL GOVERNMENT'S SHARE UNDER CANADA ASSISTANCE PLAN BE INCREASED

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Acting Prime Minister whether the government is giving further consideration to the proposal of the government of Manitoba at the conference yesterday that in view of the very sharp increase in provincial payments under the Canada Assistance Plan as a result of increased unemployment the federal government should assume 65 per cent of the cost of Canada Assistance Plan programs?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I believe the Prime Minister stated, and this is still the view of the government, that all suggestions made by the provinces in respect of changes in the Canada Assistance Plan would be considered, but no decision regarding additional sharing by the federal government has been undertaken up to the present time.

* * *

[*Translation*]

CONSTITUTIONAL CONFERENCE

SUGGESTED DEBATE BEFORE COMMENCEMENT OF MEETINGS

Mr. Roch La Salle (Joliette): Mr. Speaker, I have a supplementary I wish to direct to the Acting Prime Minister.

Since all parties are deeply interested in the Victoria Conference, would the Acting Prime Minister be willing to invite House leaders to agree on the holding of a debate on constitutional matters tomorrow or Friday, in other words prior to the Victoria Conference?

[*English*]

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I believe that the position of the government on this point has already been discussed and stated in the House by the Prime Minister.

REQUEST THAT JOINT COMMITTEE ON CONSTITUTION BE PERMITTED TO ATTEND

Mr. Thomas M. Bell (Saint John-Lancaster): Mr. Speaker, in view of the motion today under Standing Order 43 by the hon. member for Cardigan, will the Acting Prime Minister see that some consideration is given to the seating of the constitutional committee of this House or a subcommittee, at the constitutional conference in Victoria? Otherwise their work will be completely taken out of their hands.

Mr. Speaker: Perhaps we might go on to the next subject at this point.

* * *

ENERGY

PANARCTIC NATURAL GAS DISCOVERY—AREA FARM-OUT AGREEMENTS WITH OIL COMPANIES

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, may I direct a question to the Minister of Indian Affairs and Northern Development arising out of his answer to a question I asked him yesterday in which he confirmed the fact that Panarctic Oils have made a farm-out agreement with Imperial Oil Company. In view of the fact that the government of Canada has a 45 per cent equity in Panarctic Oils and the Canadian people therefore have a vital interest, may I ask the minister if he would be prepared to table these farm-out agreements setting forth the terms and conditions under which these farm-outs have taken place?

[*Translation*]

Hon. Jean Chrétien (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not know whether I could table this agreement. Personally, I have no objections. I shall ask the companies involved for their permission. I understand that this is a perfectly normal agreement in oil operations and I should even be ready to discuss it before the Committee on Indian Affairs and Northern Development.

[*English*]

Mr. Douglas: I have a supplementary question, Mr. Speaker. In view of the fact that the company is disposing of property, part of which belongs to the Canadian people, can the minister tell us what compensation is being paid by Imperial Oil or what share of any finds it makes will accrue to Panarctic Oils in the event of oil or gas finds in the areas farmed out?

Mr. Chrétien: From memory I think Panarctic will keep a 50 or 60 per cent interest if there are any finds on those lands.

Mr. Douglas: Mr. Speaker, may I ask the minister if what he is saying means that a 40 per cent equity will be held by other companies in any finds they make, and is this principle to be applied to all farm-outs by Panarctic?

[*Translation*]

Mr. Chrétien: Mr. Speaker, there is a difference depending on the land made available to the contracting companies. As to the negotiations between Panarctic Oils Limited and Imperial Oil Limited as well as other farm-outs, these are agreements whereby Panarctic Oils Limited reserved for itself generally 30 to 60 per cent of the potential of the wells.

* * *

FINANCE

INTEREST RATE ON LOAN TO MARINE INDUSTRIES LIMITED RESPECTING SHIPBUILDING CONTRACT

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, since the Minister of Industry, Trade and Commerce is absent, I should like to put my question to the Minister of Finance.

The Minister of Industry, Trade and Commerce stated last night that Marine Industries Ltd. had landed a $123 million contract for the construction of cargo ships for two French companies. The Minister added that the federal government would award a $21 million grant to Marine Industries and that the French companies would benefit from a $82 million loan at a low interest rate.

Is the Minister of Finance in a position to say what is the interest rate that will be paid on this $82 million loan to the two French companies?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I would have to take this question as notice.

Inquiries of the Ministry

THE CANADIAN ECONOMY

FACTORS ON WHICH PREDICTED UPWARD TREND BASED

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I have a question for the Minister of Finance. Last evening the Prime Minister expressed confidence that the economy is embarked on an upward trend and will gather momentum throughout the balance of 1971 and in 1972. Could the minister please indicate to the House the specific factors on which the government's confidence is based, mindful of what has occurred in the recent past?

Mr. Speaker: Order, please. The hon. member's question of course is a very interesting one, but I would suggest to him and to the minister that the information sought should normally be given to the House by way of a statement on motions. The question in those terms would not be in order.

Mr. Stanfield: A supplementary, Mr. Speaker,—

Mr. Speaker: It is difficult to ask a supplementary to a question which is not in order, but the Chair will recognize the Leader of the Opposition.

DECLINE IN INDUSTRIAL PRODUCTION IN APRIL

Hon. Robert L. Stanfield (Leader of the Opposition): Thank you very much for your leniency, Mr. Speaker. I should like to ask the Minister of Finance whether the decline in industrial production in Canada for the month of April of 0.8 per cent, as reported by the Dominion Bureau of Statistics, is something that has been foreseen by the Minister and is simply some kind of seasonal fluctuation, or does the minister intend to take any action with regard to what appears to some of us to be a rather disturbing development?

Hon. E. J. Benson (Minister of Finance): The April fall of 0.8 per cent for the durable goods manufacturing group was due to a sharp drop in automobile production. The Ford Oakville plant was shut down for a week because of a strike at a major United States parts supplier. Excluding the auto group, durable goods manufacturing actually rose by 0.6 per cent.

[*Later:*]

Mr. Stanfield: Mr. Speaker, I would like to provide the Minister of Finance with an opportunity to reconsider the answer he gave me a few moments ago when I asked him about the decline in the adjusted index of industrial production in Canada, issued by the Dominion Bureau of Statistics, which according to my information showed that all divisions shared in the decline.

Mr. Benson: Mr. Speaker, I will stand by the answer I gave.

[Mr. Benson.]

EXTERNAL AFFAIRS

INDIA—EAST PAKISTAN REFUGEES—PROVISION OF CANADIAN NURSES

Mr. P. B. Rynard (Simcoe North): I should like to address a question to the Acting Prime Minister. It has come to my attention that a number of graduating nurses are willing to go to India to assist in the refugee and cholera emergency, and I am sure there are many more who are anxious to help. Does the government intend to make a survey of how many would be willing to go and immediately make all financial and other arrangements to make this possible and, if so, when?

Hon. Allan J. MacEachen (Acting Prime Minister): I will be happy to draw the suggestion of the hon. member to the attention of the Secretary of State for External Affairs for his consideration on his return, I hope later today. From my knowledge I believe there has been no request yet by India for personnel from Canada.

Mr. Rynard: Since modern medicine does not even seem to have the resources to provide the known preventive for this terrible disease of cholera on time, is the government willing to initiate an investigation of what are the present priority global medical needs and to make suggestions about how medicine can more effectively meet those priorities when they arise as emergencies?

Mr. MacEachen: The effort in this situation is being co-ordinated by the World Health Organization, and Canada is participating actively in WHO, as my hon. friend knows. The point that has been made by the hon. member will be, as I stated, drawn to the attention of the minister.

Mr. A. D. Hales (Wellington): I have a supplementary on the very important matter that has been raised, and I should like to address it to the Minister of Manpower and Immigration. Would the minister use the Manpower offices across Canada to make an immediate survey to find out how many registered nurses are unemployed and would be available for such work?

Hon. Otto E. Lang (Minister of Manpower and Immigration): I am sure that if the question of sending expert assistance arises there will be no difficulty in finding available manpower.

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CRIMINAL CODE

AMENDMENT TO PROVIDE FOR DECISION ON ABORTION BY WOMAN AND DOCTOR IN LIGHT OF POSITION OF MEDICAL ASSOCIATION

Mr. Andrew Brewin (Greenwood): I should like to direct my question to the Minister of Justice. In view of the decision of the Canadian Medical Association favour-

ing the removal from the Criminal Code of the provision for approval of abortions by a hospital committee of doctors, thus making abortion a matter of decision by a woman and her doctor, will the government reconsider soon introducing the necessary amendments to the Criminal Code to bring this about?

Some hon. Members: No.

Hon. John N. Turner (Minister of Justice): We are studying a number of resolutions that were presented and passed by the council of the Canadian Medical Association to analyse the total impact of those resolutions. The Prime Minister stated yesterday that there will be a day set aside for a debate on this matter in the House of Commons but probably not until after the summer recess.

* * *

EXTERNAL AFFAIRS

ORIGIN OF ARMS FOUND AT ASCOT, ENGLAND

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the Acting Prime Minister. Considering the proclamations of Canada on the whole matter of the sale of arms and military equipment, is he able to advise the House whether or not an investigation has unearthed the information that it was Canadian arms that were found at Ascot yesterday?

Hon. Allan J. MacEachen (Acting Prime Minister): Mr. Speaker, I am aware of the report to which the hon. member refers, but we have no confirmation that these were in part Canadian arms.

Mr. Macquarrie: Since the minister, being a fellow Scot, would not want us to be involved in an Irish affair, perhaps he would look into it very carefully.

[*Later:*]

Mr. MacEachen: Mr. Speaker, may I clarify an answer I made to the hon. member for Hillsborough in reply to his question about arms. I said we had no information that would confirm that any part of these arms were Canadian arms. At the same time I should say I have no information denying the same. We are seeking information.

* * *

OIL

REQUEST FOR INFORMATION ON ADEQUACY OF SUPPLY FOR EASTERN CANADA IN EVENT OF EMERGENCY

Mr. R. N. Thompson (Red Deer): In the absence of the Minister of Energy, Mines and Resources I will direct my question to the Acting Prime Minister. When does the government expect to table information showing that Canada has a secure supply of oil to supply eastern Canada adequately as well as to maintain export commitments to the United States if an emergency arises in regard to the supply of Venezuelan oil?

Inquiries of the Ministry

Hon. Otto E. Lang (Minister of Manpower and Immigration): The matter of the availability of supplies in Canada is constantly under study by the National Energy Board and from time to time reports are made. I will bring this specific further request to the attention of the minister.

Mr. Thompson: My question was, when is the government going to make such information available to members of the House, and what about the oil export arrangements with the United States in the case of an emergency? It seems to me that the government has a responsibility to the House.

Mr. Lang: These matters are continually studied and from time to time reports have been made. As I said, I will bring the matter to the attention of the minister in the event that further reports are available now or in the immediate future.

* * *

NATIONAL ENERGY BOARD

ALLEGED LACK OF FUNDS TO HIRE STAFF TO PROVIDE INFORMATION

Mr. Eldon M. Woolliams (Calgary North): I should like to ask the President of the Treasury Board the following question. In view of the fact that the National Energy Board has alleged that it does not have sufficient money to hire enough staff to give the information to which the Minister of Manpower and Immigration referred in replying to the hon. member for Red Deer, would he look into the matter and provide the National Energy Board with sufficient staff to supply that kind of information to Parliament?

Hon. C. M. Drury (President of the Treasury Board): I will be glad to look into the matter.

* * *

PUBLIC SERVICE

REQUEST THAT PRESENT LEGISLATION AFFECTING RELATIONSHIP WITH GOVERNMENT BE REVIEWED BY COMMITTEE

Mr. Robert McCleave (Halifax-East Hants): My question is for the President of the Treasury Board. Would the minister consider referring in the next session the legislation which deals with the government's relationship with its public servants to a committee of the House for review, with power to recommend changes?

Hon. C. M. Drury (President of the Treasury Board): We will certainly give consideration to that. I think there is no doubt that any legislative proposals which the government would put forward would go to a parliamentary committee.

Inquiries of the Ministry

POLLUTION

LAKE ERIE—DISCUSSION WITH UNITED STATES OFFICIALS —AGREEMENT WITH ONTARIO RESPECTING CANADIAN COMMITMENT

Mr. Charles Turner (London East): My question is for the Minister of Fisheries and Forestry. Is the minister going to Washington tomorrow to discuss pollution of Lake Erie and, if so, has a firm agreement been reached with Ontario to honour the Canadian commitment to clean up our side of Lake Erie?

Hon. Jack Davis (Minister of Fisheries and Forestry): The answer to both of those questions is yes, Mr. Speaker. The Secretary of State for External Affairs and I will be in Washington tomorrow to discuss the recommendations of the International Joint Commission. We are going there with an understanding in principle with the government of Ontario that we on our side of the international boundary line will carry out all commitments, including the construction of the capital works necessary to meet the high standards which the IJC has set for all of the Great Lakes.

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REGIONAL ECONOMIC EXPANSION

ACCEPTANCE BY SASKATCHEWAN GOVERNMENT AND COMPANY OF OFFER OF GRANT FOR PULP MILL

Mr. Rod Thomson (Battleford-Kindersley): My question is directed to the Minister of Regional Economic Expansion. Can the minister indicate whether the government of Saskatchewan and the participating company have accepted the offer of an industrial incentive grant for a pulp mill north of Meadow Lake, Saskatchewan?

[*Translation*]

Mr. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, I know that the offer has been made but I do not know whether it has been formally accepted. I will inquire and advise the hon. member at a later date.

* * *

FINANCE

EFFECTS OF DECLINE IN CANADIAN DOLLAR EXCHANGE RATE

Mr. Henry Latulippe (Compton): Mr. Speaker, I have a question for the Minister of Finance.

Could he advise the House whether the recent drop in the value of the Canadian dollar augurs well for Canadian business or whether it will have an adverse effect on the domestic market?

[*English*]

Hon. E. J. Benson (Minister of Finance): I think that with regard to an analysis of what has been happening to the Canadian dollar my hon. friend will have to wait for my budget speech next week. The Canadian dollar has moved down marginally in the past couple of weeks. This, of course, is a boon to Canadian exporters. It helps Canadian exporters.

Mr. Speaker: Order, please.

Mr. Benson: On the other hand, of course, it increases the price of imports—

Mr. Speaker: Order, please. The minister should not make the budget speech now.

[*Translation*]

MEASURES TO RELIEVE EFFECT OF FREEING CANADIAN DOLLAR ON PULP AND PAPER INDUSTRY

Hon. Martial Asselin (Charlevoix): Mr. Speaker, I should like to put a supplementary question to the Minister of Finance.

We learned this morning that Price Bros., of Kénogami, will suspend its lumber operations before the end of the year, which will put 245 people out of work. This company also intends to close its plant for a month, thus laying off 1,200 employees. Of course, the situation of the Canadian dollar is blamed for that.

Since several pulp and paper companies are in the same circumstances, I would like to ask the minister whether he will take the necessary steps to assure the survival of those companies, when preparing his budget.

Mr. Speaker: I take the liberty to point out to the hon. member that his question must be interpreted as being a suggestion which the minister should take into consideration when introducing the budget.

Mr. Asselin: Mr. Speaker, could I rephrase my question?

Mr. Speaker: We will return to it in a moment.

[*Later:*]

Mr. Speaker: I believe that the hon. member for Charlevoix wishes to put, in a different form, the question that he has asked a short while ago.

Hon. Martial Asselin (Charlevoix): Mr. Speaker, in view of the difficult situation in which the pulp and paper companies find themselves, I should like to ask the Minister of Finance whether he will consider this situation in his budget so as to readjust the financial situation of the pulp and paper companies which, from day to day, face difficulties and are forced to lay off workers precisely because of the unpegging of the Canadian dollar?

[*English*]

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I disagree with the conclusion reached by the hon. member. Of course we will take into consideration all submissions when preparing the budget. I would say, however, that the pulp and paper industry throughout the world has overcapacity at the present time. In the United States its profits went down by 33⅓ per cent in the first quarter.

GRAIN

FINAL PAYMENTS ON WHEAT, OATS AND BARLEY IN CURRENT CROP YEAR

Mr. R. R. Southam (Qu'Appelle-Moose Mountain): Mr. Speaker, I wish to direct a question to the minister responsible for the Canadian Wheat Board. Can the minister indicate whether in fact any final payments will be made to farmers for wheat, oats and barley in this crop year from the Canadian Wheat Board account and, if so, when?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, the question as it relates to the current crop year is rather premature in view of the fact that the pools are all still open and active. In the case of the previous crop year, as the hon. member knows, the wheat pool is in the process of being finalized and the final details will be made known before very long. In the case of barley final payments have already gone out.

INCREASE IN WHEAT QUOTA FOLLOWING SALE TO RUSSIA

Mr. Jack Murta (Lisgar): Mr. Speaker, I wish to direct a supplementary question to the minister responsible for the Canadian Wheat Board. In view of the wheat sale to Russia announced last week, can the minister say whether the wheat quota will be increased in excess of the proposed eight-bushel quota which was mentioned earlier?

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, it is not anticipated that the quota will move beyond eight bushels in the current crop year.

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INFORMATION

APPROVAL OF ADVERTISING PROGRAMS RESPECTING CENSUS AND TAX CHANGES BY INDEPENDENT BOARD OF ADVERTISERS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, I wish to direct a question to the Minister without Portfolio in charge of Information Canada. Were the recent advertising and public information programs implemented by the government with respect to the census and the proposed expenditures with respect to taxation changes approved by an independent board of advertisers as recommended in the report of the government task force on information?

Hon. Robert Stanbury (Minister without Portfolio): No, Mr. Speaker, but the report did not recommend any such approval.

Mr. Nowlan: Mr. Speaker, I am referring to the report recommending the establishment of Information Canada, the usefulness of which I would not want to debate now, but can the minister tell the House when the government is going to implement the second recommendation in that report with respect to advertising, which does in fact set out that an independent board should be established to recommend policies to the government on whether contracts should be let and/or how much should be spent?

Mr. Stanbury: Mr. Speaker, when the policy has been established it will be announced in due course.

* * *

CRIMINAL CODE

REQUEST THAT AMENDMENTS BE INTRODUCED AND OPPORTUNITY PROVIDED FOR STUDY

Mr. John Gilbert (Broadview): Mr. Speaker, I wish to direct a question to the Minister of Justice. In view of the excellent practice he established in June last year when he presented the bail reform bill for first reading and allowed time for the purpose of it being studied by organizations and persons across Canada, would he do the same thing with regard to his proposed amendments to the Criminal Code, in particular the amendment proposing that criminal convictions should not be imposed on young persons who have been found guilty of offences that are not serious?

Hon. John N. Turner (Minister of Justice): Mr. Speaker, I would like to do that with respect to certain proposed amendments to the Criminal Code.

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CONSTITUTIONAL CONFERENCE

SUGGESTED ATTENDANCE OF REPRESENTATIVES OF SPECIAL JOINT COMMITTEE AND LEADERS OF OPPOSITION PARTIES AT VICTORIA MEETINGS

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I wish to direct a question to the government House leader. In view of the great amount of time and money spent on the work of the Special Joint Committee on the Constitution, and the stress placed by the government on the importance of the work of that committee, can the hon. gentleman assure the House that that body will be represented at the discussions in Victoria next week?

Hon. Allan J. MacEachen (President of the Privy Council): Mr. Speaker, my understanding is that the joint chairmen of the Special Committee on the Constitution have been invited to attend the conference as observers, but that is information I would like to check.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, in view of the fact that one of the joint chairmen of the Special Committee on the Constitution is a Liberal Member of Parliament and the other is a Liberal Senator, would the government House leader reconsider his position and permit the leaders of the opposition parties to attend the constitutional conference in light of what he has just said, or is this to be a Liberal cesspool?

Some hon. Members: Shame!

Mr. Speaker: Order, please. The hon. member for Greenwood.

Inquiries of the Ministry

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is along similar lines. Would the government consider sending to the conference not simply the representatives of one party but the steering committee of the Special Committee on the Constitution so that all parties might have representation there?

* * *

[*Translation*]

NATIONAL DEFENCE

MONTMAGNY—USE OF ARMOURY DURING SUMMER

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, my question was for the Minister of National Defence, but as he is absent I shall direct it to the Acting Prime Minister.

Representations were made this afternoon in order to point out that the Montmagny armouries which, in recent years, accommodated some fifty young cadets during the summer, are not yet open. May I ask him if the Department of National Defence intends to keep these armouries open during the summer months?

Mr. Speaker: Once again, that is a suggestion or a representation made by the hon. member. He must assume that it will be considered. Maybe, in due time, the minister could answer the question.

* * *

[*English*]

REGIONAL ECONOMIC EXPANSION

ATLANTIC DEVELOPMENT COUNCIL RECOMMENDATIONS—DISCUSSION BY MINISTER WITH MARITIMES' PREMIERS AT CONSTITUTIONAL CONFERENCE

Mr. James A. McGrath (St. John's East): Mr. Speaker, I would like to ask the Minister of Regional Economic Expansion if he plans on meeting with the four Atlantic premiers at the constitutional conference in Victoria to discuss with them the recommendations and strategy proposed to the government by the Atlantic Development Council?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I will surely meet with them, Mr. Speaker, but I do not have any agenda at the moment.

Mr. McGrath: As a supplementary question, Mr. Speaker, may I ask the minister if the federal government has decided on a position with respect to the recommendations of the Atlantic Development Council?

Mr. Marchand (Langelier): Mr. Speaker, I think I mentioned in the House previously that my intention was to meet with the premiers, and on the next possible occasion I am going to do so.

[Mr. Speaker.]

CONSTITUTIONAL CONFERENCE

SUGGESTED ATTENDANCE OF LEADER OF THE OPPOSITION AT VICTORIA MEETINGS

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, my supplementary question relates to an earlier question on the constitutional conference. To remove the pollution or the cesspool part of the question, I would like to ask the President of the Privy Council, in his capacity as house leader, this question. If the joint chairmen of the constitutional committee are to be invited to the conference as observers, surely an invitation could be extended to the Leader of the Opposition, who is one of the main officials in the whole parliamentary process in Canada, to be there also as an observer. Will this be given just consideration in the just society?

Hon Allan J. MacEachen (President of the Privy Council): Mr. Speaker, I agree with the hon. gentleman on a number of counts, namely, the importance of the role of the Leader of the Opposition, and I believe that importance has been recognized by the government with respect to the constitutional conference.

Hon. Robert L. Stanfield (Leader of the Opposition): Mr. Speaker, on a point of order, I have not received an invitation to attend anything except the open sessions. May I ask the Acting Prime Minister whether the joint chairmen of the constitutional committee are being invited to attend all sessions of the conference or simply the open sessions?

Mr. MacEachen: Mr. Speaker, my understanding is that the joint chairmen have not been given any opportunity greater than that which would be accorded to the Leader of the Opposition. I am sure that would not be the intention of the government. It was because of the importance that we attach to the Leader of the Opposition's role that the invitation has been extended. My hon. friend may be just a little bit impatient. The opportunity to participate fully may come in some distant time for him.

An hon. Member: After the next election.

Mr. Nowlan: Mr. Speaker, since the President of the Privy Council in his answer to the Leader of the Opposition referred to the respect and honour in which the Leader of the Opposition is held and the position of the Leader of the Opposition at any conference and his position in the parliamentary process, may I ask whether this participation is to be a one-way street? Is the Leader of the Opposition to hear but not speak and really not see the conference which is at hand?

Mr. Speaker: Order, please. I believe the hon. member for Calgary North has a supplementary.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I should like to hear some clarification. I did not really understand what the House leader said. Are the joint

chairmen to attend? If they are to attend the conference, will they be left out on the porch or allowed in the conference room? Let us have the facts.

Some hon. Members: Oh, oh!

Mr. Speaker: Order, please. Perhaps the minister might like to reply to that question, but I point out that there are only a few minutes left before the end of the question period and perhaps we should go to another subject immediately after the minister's answer.

Mr. MacEachen: Mr. Speaker, I think it ought to be made clear that this is a conference among governments, the federal government and the governments of the provinces, and the full representatives of all those governments will participate in the conference.

Mr. McGrath: Including a leader of an opposition party.

Mr. MacEachen: The conference is closed to all persons except the representatives of the governments. That is the rule of the game. The fact that others who do not happen to be members of any government are not included is not intended to be a slight on any of them. My hon. friend should understand that.

Some hon. Members: Oh, oh!

Mr. Stanfield: I am sorry, Mr. Speaker, but in view of that answer I must ask a further supplementary question.

Mr. Speaker: Order, please. I will recognize the Leader of the Opposition. I suggested a moment ago that, in view of the limited time left at our disposal, we ought to go to the next subject. However, the Leader of the Opposition will be recognized.

Mr. Stanfield: Does the Acting Prime Minister mean to imply that if a provincial government brings with its delegation someone who is not a member of that government, someone who is, for example, the leader of the opposition party in that province, he would not be admitted to the conference?

Mr. McCleave: That is what the minister said.

Mr. MacEachen: No, Mr. Speaker. I made no such statement.

Some hon. Members: Oh, oh!

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, as it is important for all points of view in this country to be represented at the conference so that there may be an opportunity to hear the discussions, and as some of the provincial delegations will include opposition members, if it is decided to allow provincial representatives of legislative assemblies to sit in on the closed sessions, does the federal government intend to invite the Leader of the Opposition and the leaders of the other political parties also to sit in on the closed sessions at the conference in Victoria?

Mr. MacEachen: Mr. Speaker, I believe I stated that the Leader of the Opposition had drawn an unwarranted conclusion, or had stated that I had stated something I had not stated. My hon. friend has, on that unstable premise, built another question which is as far from reality as the original observation of the Leader of the Opposition.

Mr. Bell: Explain.

Mr. Speaker: Order, please. We have just about reached the end of the question period. Perhaps we might take up the last minute or two with supplementary questions on this matter.

Mr. Douglas: Mr. Speaker, the premise of my question was not based on anything that was said by any previous questioner. I have attended some of these conferences and I know—

Mr. Speaker: Order, please. Would the hon. member kindly ask his question, because we have run out of time.

Mr. Douglas: As some of the provincial delegations made up of representatives from various political parties are to be allowed to sit in on the closed sessions, will the same principle apply to the representatives from this parliament who will attend the conference in Victoria?

Mr. MacEachen: Mr. Speaker, I would have to check. I am not disputing—

Some hon. Members: Oh, oh!

Mr. Woolliams: The minister has told us four different stories today.

Mr. MacEachen: —the factual statement made by the hon. member for Nanaimo-Cowichan-The Islands. It is not my statement. I have stated the position of the federal government. It is that the conference is a conference between governments. It is not a public conference. I am not speaking on behalf of any provincial government as to the composition of its representation at the conference. I am not answering the final point because I have not the knowledge as to what decision might be taken by the conference on the point raised by the hon. member.

Mr. Nowlan: Mr. Speaker, the President of the Privy Council has answered in part the supplementary question that I wish to put to him. Could we have an assurance from the Acting Prime Minister, Mr. Speaker, that the Leader of the Opposition in Ontario will be in no better or higher position than the Leader of the Opposition in the Parliament of Canada at the Conference?

Mr. MacEachen: Mr. Speaker, I should like to give that assurance to my hon. friend.

Mr. Stanfield: The minister would like to.

Mr. Nowlan: But would he?

Some hon. Members: Oh, oh!

Mr. Nowlan: Mr. Speaker, I appreciate that we are coming close to the end of our time, but this is a very important question. Will the Acting Prime Minister in the Parliament of Canada give us that assurance and not his desire to give it? Would he make the affirmation and say affirmatively that he will give it?

Mr. MacEachen: Mr. Speaker, I am perfectly satisfied to see both of them where they are at the present time.

Mr. Speaker: Orders of the day. Is the hon. member for Churchill rising on a point of order?

Mr. Simpson: Mr. Speaker, I rise on a question of privilege respecting the rights and privileges of Canadian citizens living in smaller communities and particularly in the community of Lynn Lake, Manitoba. My question of privilege arises as a result of the tremendous amount of publicity and advertising which has been distributed to Canadian householders with respect to the census now being taken.

Mr. Speaker: Order, please. Will the hon. member kindly resume his seat. He will appreciate that the only privileges he can claim at this time are his own parliamentary privileges or the privileges of this institution. He cannot rise at this time and claim the floor to claim the privileges of the citizens of Canada or of individual citizens. Parliamentary privilege is the privilege of the hon. member, individually. I assume that this is what he proposes to indicate to the Chair.

Mr. Simpson: Mr. Speaker—

Mr. Smerchanski: Mr. Speaker—

Mr. Speaker: Order, please. We will have one question of privilege raised at a time. The Chair recognizes the hon. member for Churchill.

Mr. Simpson: Mr. Speaker, my point of privilege arises from the fact that I am also a Canadian citizen living in a small community.

Mr. Speaker: Order, please. The hon. member knows very well that parliamentary privilege has nothing to do with the statement which the hon. member is making now. He says that as a citizen he has privileges and he is attempting to claim those privileges now. That is not a point of parliamentary privilege, which is the only privilege the hon. member can claim and the only privilege he can put to the Chair at this time. Perhaps the hon. member might come to the point and indicate as quickly as possible what his point is.

Mr. Simpson: Yes, Mr. Speaker. I was trying to bring to your attention and the attention of the House the advertising that the government is putting out in relation to the census. I have in my hand a letter originating from the office of the Minister of Industry, Trade and Commerce outlining the method by which the census will be taken. In the letter it is explained how the census will be taken, and it says that there is one—

Mr. Speaker: Order, please. I wonder whether the hon. member has considered that under the rules he has to give notice to the Chair. I have received no notice of the question of privilege which he now proposes to bring to the attention of the House. A question of privilege can be raised for the consideration of the House and the Chair without notice if it relates to a matter which arises as a result of current or immediate debate; at that point an hon. member may rise and state that he has a question of privilege. But this question relates to facts which to my knowledge did not arise earlier this day as part of the debate.

I cannot see how the hon. member can rise at this point and raise a question of privilege without giving notice to the Chair. I am anxious to be as lenient as possible in allowing the hon. member to state his point briefly, but it seems that he is getting farther and farther away from a legitimate question of privilege.

Mr. Simpson: I will be very pleased to give notice and bring this matter to Your Honour's attention tomorrow.

Mr. Smerchanski: Mr. Speaker, I rise on a question of privilege. I notice that the seating plan for the third session of the twenty-eighth Parliament is somewhat confusing. I would like clarification as to whether I occupy seat No. 167 or No. 168. I do not represent the constituency of Nickel Belt; I am the member for Provencher. There seems to be some confusion in this corner of the chamber about where the Liberal members are seated according to the numbers under the present seating arrangement. I would like clarification of this matter.

Mr. Speaker: Orders of the day.

GOVERNMENT ORDERS

CANADA DEVELOPMENT CORPORATION

PROVISION FOR ESTABLISHMENT, OBJECTS, POWERS, CAPITALIZATION, ETC.

The House resumed, from Tuesday, June 8, consideration of the motion of Mr. Benson that Bill C-219, to establish the Canada Development Corporation, be read the third time and do pass.

Mr. Speaker: The hon. member for South Shore (Mr. Crouse).

Mr. Crouse: Mr. Speaker, I welcome this opportunity—

Mr. Speaker: Order, please. The Chair was under the impression that the hon. member was rising on a point of order or a question of privilege. The hon. member for Waterloo (Mr. Saltsman) had the floor when the debate was adjourned yesterday.

Mr. Max Saltsman (Waterloo): Mr. Speaker, in trying to assess the reasons for the government's injecting the profit motive into the Canada Development Corporation

as its primary operational motivation I noted three explanations. The first was to get rid of Crown corporations which have been an embarrassment to the government by virtue of their success. The second was the necessity of satisfying the investment interests of corporations in Canada which have funds they want to place somewhere. This would take care of both the first and second objectives. They could take the common property of all Canadian Crown corporations, such as Polymer, and turn it over to private investors. The third reason was to do something, after waiting around for eight years, so that the government would not be subjected to the embarrassment of having to put this matter in the next Throne Speech.

There seems to be a fourth reason. The fourth reason for having the profit motive in the Canada Development Corporation is really a form of political cowardice. It gets the government off the hook. If the Canada Development Corporation makes a decision that is not in the national interest and which is not approved by Parliament, the government can say that the objective of the CDC is to provide profit and therefore we cannot fault the government. The government is looking for an invisible hand to guide the Canada Development Corporation rather than to guide the objectives of national priority as determined by the Parliament of Canada. Judging from experience, this kind of political cowardice is not going to work. The government may get away with it for a little while, but it is not going to work.

We have had a similar experience in this respect. The government tried to operate the regional development program on this basis. Initially the program had hard and fast rules as to which areas would be entitled to assistance. The reason for adopting rigid formulas was to take the government off the hook with regard to making decisions as to the kind of development that should take place in various parts of Canada. That program had to be changed because it was too inflexible and did not work in the way that was promised. The government has now moved into a new area in respect of regional development. It exercises a much higher degree of discretion in terms of to whom grants shall be made and where development shall take place. When that change in the legislation was introduced in the House we pointed out that the government was embarking upon a dangerous policy. However, it was at least a policy that offered some form of success. The program has been notably successful. This area of discretion has given it any measure of success to which it can lay claim.

The same will happen to the Canada Development Corporation. It cannot be operated on a profit motive. You cannot avoid political responsibility when establishing a national development corporation. The government will learn this as the situation progresses. In discussing the Canada Development Corporation, one of the arguments of government members has been that to have the CDC under the jurisdiction of the government and subject to scrutiny by Parliament would be politically dangerous. They argue that people will exert political pressure on the government for development in certain areas and to support some industries which are not viable, suggesting that social problems be looked after rather than economic problems.

What is Parliament for but to tackle problems of this kind? Surely if a proposal is put to the government that it does not feel is justified or viable, it can deal with the situation. The government does not have to buckle under every kind of political pressure. No government and no Parliament has buckled under all kinds of political pressure to which this Parliament must be responsive. We cannot turn over the responsibility of Parliament to something that is profit motivated, namely, the Canada Development Corporation. That is what Parliament is all about: it must be responsive to the political pressures of our society and not evade them as is being attempted through the Canada Development Corporation. This is what it really is, political cowardice and an evasion of governmental responsibility. It is an attempt to have a profit-motivated body do the thinking which the government is refusing to do on behalf of the Canadian people.

This debate is drawing to a close; we are summing up our positions. Those of us who have fought hard and long for a Canada Development Corporation are disappointed with the dishonest approach the government has taken in the creation of the CDC. We are certain the Canadian people will understand this and that eventually the kind of CDC our party advocates will stand in place of the emasculated thing that the government is presenting to this House.

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I welcome this opportunity to speak on third reading of Bill C-219, an act to establish the Canada Development Corporation. Back in the beautiful and fabled province of Nova Scotia there is a story told around an area called Mahone Bay. In the days of the privateers a ship named the *Teaser* was being pursued. It sought refuge in Mahone Bay, where it was blown up by one of its crew who did not wish to be captured. Legend has it that today if you are in that area on a stormy and foggy night you can still see the ghost of the *Teaser* sailing before the wind with bare spars burning brightly in the fog. This is a ghost. Bill C-219 reminds me of the ghost of the *Teaser* because it has been around for a long time. Now it would appear that its skeleton has taken on some form and it has come back to the Commons.

• (3:10 p.m.)

Away back in 1963 the Speech from the Throne stated that the government planned to introduce a measure to establish a Canadian development corporation. Nothing happened during that session, however. In succeeding sessions the measure was mentioned but it was never introduced in the House. Finally, in 1971, a bill providing for the establishment of a large private corporation under government control has been introduced in the

Commons. The Minister of Finance (Mr. Benson) describes the corporation in these words:

> It will help develop and maintain strong Canadian-controlled and Canadian-managed corporations in the private sector and provide greater opportunities for Canadians to invest and participate in the economic development of Canada.

According to the Minister of Finance, the corporation is supposed to help shape and secure future Canadian development. It is to be a large-scale source of capital to create major new enterprises. It will join others in acquiring and rationalizing existing companies where competitiveness may be improved by merger, amalgamation or other corporate arrangements. These changes, the minister says, will reduce the risks of an undesirable degree of foreign control of the enterprises concerned.

The Minister of Finance states that the activities of the corporation will involve close relationship with the business and financial community. Able and experienced entrepreneurs will direct the corporation's operations to areas of critical importance in economic development—to high-technology industry, to resource utilization, to northern-oriented companies and to industries where Canada has a special competitive advantage. Generally, the CDC will not seek to exercise direct operating control of the corporations in which it invests and these corporations will not normally become CDC subsidiaries. Shares are to be sold to the public in competition with those of all other investment vehicles, and the bill specifically directs the CDC to invest for profit in the best interests of the shareholders.

The Canada Development Corporation is to have an authorized share capital of 200 million common shares without nominal or par value, and preferred shares amounting to $1,000 million with a nominal or par value not exceeding $1,000 each, divided into any multiple of $5. According to the minister, in order to enable the corporation to begin its operations without delay once the bill has been approved, the government will make $250 million available to it by undertaking to purchase its shares either directly or as an underwriter. Under this arrangement the government will subscribe $100 million in the first year and $75 million in each of the following two years. In addition, the bill provides authority for the government to lend up to $100 million to the corporation.

Again according to the minister, the Governor in Council will be given authority to sell to the CDC at a fair and reasonable price its interests in certain Crown-owned corporations such as Polymer Corporation, Eldorado Nuclear Limited, Panarctic Oils and Northern Transportation. The board of the CDC is to consist of between 18 and 21 directors, and until government holdings have been reduced to less than 50 per cent of the total issued and outstanding working shares the deputy ministers of the Department of Finance and of the Department of Industry, Trade and Commerce will also be members of the board.

CDC shares will count as authorized investments for insurance and loan and trust companies, subject to existing federal law. The CDC will not be an agency or a Crown corporation responsible to Parliament, but because it is created by an act of Parliament any change in its capital structure or in the powers of the corporation will require approval by way of a resolution passed by both Houses of Parliament.

In retrospect, we see that it took the government eight years in which to prepare this bill and present it to the House. I cannot help wondering why it has chosen this point in time to present the measure, bearing in mind that there are so many more pressing matters confronting us. Obviously, the government chose to wait eight years because it did not consider the establishment of the Canada Development Corporation essential to the economic development of the country. At the present time, when unemployment is high and inflation is still with us, it seems to me the bill provides a good diversion from the real problems of the day.

I cannot but wonder how many jobs will be created by the CDC. Where will it invest? How will it help curb inflation? The government gives the impression of being concerned about the economic development of the country, but it is by no means certain that the proposed corporation will be an instrument of such development. At the outset of its operations it will acquire four corporations, two of which are profit making, namely, Polymer and Northern Transportation, one which is losing a lot of money—Eldorado—and another, Panarctic, which is not yet making a profit. So much for development!

The assumption appears to be that an investment company established under government control will promote the creation of more capital for investment in Canada. I challenge this assumption on the basis that the government does not create capital. From my study of economics I conclude that additional capital can be created only by marshalling savings which would not otherwise be organized.

It is said the corporation will provide increased opportunities for Canadians to participate in the economic development of their country. I would remind hon. members, Mr. Speaker, that there are in Canada today many institutions which provide excellent opportunities for the small investor to participate in the economic growth of Canada. I am referring to the mutual funds. These funds are the custodians of sums exceeding the $2 billion proposed for the CDC and they are without exception eager to sell more shares to the public and enlarge their own investment operation.

The best expert advice and experience are available to serve the small investor in those funds. Shares are available at low cost, and in my opinion it is impossible to conceive an easier way in which Canadians may acquire a share in what the Minister of Finance calls the ownership and direction of business operations in this country. These funds hold enormous, sound investments in Canadian enterprises. Under legislation passed in 1960—I believe I am right in this—operating companies must derive 85 per cent of their gross revenue from Canadian investment sources if they wish to enjoy certain tax benefits.

It seems to me there can be no justification for the government entering into competition with existing business, especially when that business is competently and responsibly serving the public. The use of the enormous power of government in competition with Canadian business cannot fail to undermine confidence and create further uncertainty as to the future. The proposed arrangements for selling the stock of the corporation should be clearly understood.

When the shares go on the market the initial price will be $5 and no doubt all the resources of the government, all the advertising media to which it has access, will be marshalled to spur sales. Sales promotion will be extremely costly. Since the government's prestige will be at stake in the response of the public to the offering of the stock, we can expect the government to use every advantage open to it to push sales. The minister has plainly stated that support will also be sought from a wide variety of Canadian institutions including insurance companies, banks and trust companies. I consider this proposal dangerous in the extreme. I feel the government has no right to press such institutions to subscribe for stock in this new corporation. The government should not have the right to exert pressure on institutions to invest assets which are generally held in trust. There have been times in the past when governments have applied direct pressure on financial institutions to purchase their bond issues when facing difficulties in finding a market. In my opinion this type of tactic should not be permitted to be revived in any form.

• (3:20 p.m.)

The corporation is to provide financing for large Canadian enterprises which might otherwise be led to seek funds outside Canada with a consequent loss of ownership and control to non-Canadians. Just think what this particular clause means, Mr. Speaker. Any enterprise that can scare up a foreign takeover bid can then apply to the Canada Development Corporation and demand a bigger and better price. It seems to me that the corporation will provide a relatively captive market for businesses which their owners are anxious to unload at inflated prices.

It is also to be the function of the corporation to share in financing the initial development or expansion of large-scale industrial projects in Canada. It is said that existing channels in Canada are not adequate to finance large-scale projects, that a new channel must be created for this purpose. In my opinion this is simply not true. The fact that the yield on good equities at the present is around 3 per cent, compared with 5-3/4 per cent on government bonds and 8 per cent on five-year term certificates, clearly shows that Canadians are equity conscious and that existing channels are adequate to meet such needs if the investment is sound. Every experienced financier and businessman knows that the selection of risks is the essence of the success of any enterprise operating in the investment field. Good investments, including equities, are finding markets in Canada today. The riskiest of all would remain to be offered to the Canada Development Corporation.

If these are taken up and the corporation incurs heavy loss in consequence, I ask, Sir, will the Canadian taxpayer be required to bail-out the corporation? One of my concerns is the great pressures that would be exerted upon such a corporation in its selection of risks, that is to say, in the purchase of the capital stock of corporations engaged either in risk development of resources or marginal industrial projects. I can picture Members of Parliament, especially those on the government side, making special entreaties to the corporation on behalf of shaky enterprises in their constituencies. The responsibilities of management under those circumstances will be enormous. I cannot help but wonder where sound, experienced and competent management for such a mammoth corporation is to be recruited. It will certainly take a very long time to set it up with efficient management.

Another matter that puzzles and concerns me is the statement of the minister when he speaks of ensuring the independence of the corporation. The minister says that by selling shares to the public and having the shareholders elect some of the directors, the corporation will stand on its own feet, free of government control. At least the minister appears to recognize the inherent dangers that are implicit in the relationship between the government and the corporation, but the suggestion that the corporation will be independent of government is in my view a fantastic illusion.

It seems to me that if the treasury of Canada is to be called upon to purchase large blocks of the stock of the corporation, if it is required to purchase debentures of the corporation or to make loans to it up to an amount of $100 million, how then can the government and Parliament divorce themselves from their responsibility to the Canadian public for its operations? If Polymer and other Crown corporations are to be sold to the new corporation, how can the government and Parliament ignore their responsibility with respect to the operation of these Crown corporations? These are questions that have not been answered to date. Certainly they have not been answered in any of the debates that have taken place in this House.

In my opinion, neither the government nor Parliament can properly abdicate their responsibilities for such an institution, and the alleged independence of the corporation is a myth. If the day ever comes when this corporation shows a profit, can we be assured that the exigencies of the government, political or otherwise, will not enter into the declaration or withholding of dividends? In light of all these factors I cannot assume that this new corporation will operate independently of government. If the Canada Development Corporation grows to anything like the size pictured by the minister and invests substantially in the stock of other corporations, in my view its tentacles will spread like those of an octopus throughout the entire Canadian economy. When this happens we will be marching on the slippery slope to socialism from which there will be no return.

Another matter that puzzles me is this. Why have we not heard from the hon. member for Trinity (Mr. Hellyer) or the hon. member for Duvernay (Mr. Kierans) in

the debate on this bill? These former Liberal cabinet ministers, when speaking outside this House are loud in their condemnation of the government and its policies, and rightly so. I know that confession is good for the soul, Mr. Speaker, but this chamber is the place to make your voice heard. This is the place to stand up and be counted. So I ask, where are these two former cabinet ministers this afternoon? Why are they not here to speak out against the policies of this government and to stand against the worst government our country has ever had?

There are other objections to this legislation that cause concern to serious-minded Canadians. For example, what kind of persons are likely to constitute the board of directors? It is evident that the government will appoint the initial directors. The minister has indicated that as the sale of the capital stock of the corporation proceeds, the government will retain the right to appoint a small proportion of the directors. Who can guarantee that these men will be appointed without regard to partisan considerations? Who can guarantee that they will not feel obliged to act as representatives and mouthpieces of the government in all the important decisions that are taken by the board? In fact, decisions on the scale to be taken by this board might conceivably at times involve the prestige, even the political life of the present government.

In theory, the shareholders will be free to elect the other directors. But if the policy pursued by the board should be embarrassing to the government as principal shareholder, I ask you, Mr. Speaker, how long can the independence of the board be expected to continue? The stock of this corporation is to be redeemable at any time at the option of the investor. The price paid for common shares will be the closing sale price of the share on the principal stock exchange on the business day immediately preceding the date of giving notice of redemption, or if no bids or asking prices on the exchange are quoted for that business day the last closing sale price recorded on the exchange will be the price paid.

I would point out that to meet redemptions mutual funds are always in a position to liquidate high-class securities. Is this corporation to dispose of stocks in its portfolio on the market to meet redemptions? If so, in my opinion investments of the type that it is expected to hold would in many cases be unsaleable except at substantial loss. I believe that the size of this corporation and its position as a creature of the government will create a significant danger to its market operations. It could by its transactions influence and disturb the market in the most serious manner.

If the corporation purchases large blocks of stock of companies engaged in the development of resources or industries, is it going to be content to accept a minority position in such companies, or will it insist on holding control to protect its investment? In either case it would have to insist on the appointment of some directors, and in light of past performances these will all be Liberal supporters, which will give a political bias to this national corporation.

[Mr. Crouse.]

• (3:30 p.m.)

There are many other points of view which I could put on the record, but I believe I have said enough to indicate the reasons members of my party will not support this legislation when it comes to a vote in the House.

Mr. Steven Otto (York East): Mr. Speaker, having heard the hon. member for Prince Edward-Hastings (Mr. Hees) and the hon. member who has just sat down, it seems to me that the days we have debated this bill will go down as black days in the House and the Canada Development Corporation will be the most awful thing to reach the Canadian people. If we listen to the hon. member for Waterloo (Mr. Saltsman) we realize we have not yet reached the Valhalla their party would wish to accomplish through a Canada development corporation. Then we heard the minister state the government's position. I think it is about time I put forward the Liberal rationale behind this bill.

I direct the attention of the House back to 1962 or 1963 when discussion originated about a Canada development corporation. At that time Mr. Walter Gordon was the man who recognized some of our problems, and they were easily recognizable. One of the problems lies in why Canadian enterprise was not making headway compared with enterprise in the United States and other countries. It did not take long to find the answers. First, Canadian corporate law was not really suited to a wide distribution of shares. In most provinces the laws governing private corporations make it very costly for them to become public; and by and large we find that the market in Canada is speculative—people want to make a buck quickly and get out. It has not been an investment market. In the United States these corporations are under the control of the Federal Securities Exchange Commission and they operate under a definite set of laws. There are avenues through which a private entrepreneur can proceed. They can set up a syndicate and change a private corporation to a public corporation with wide distribution of shares, and at all times the minority shareholders are protected by the law. This was one of our ills.

Possibly the most difficult problem is that Canadians do not have investment capital. It was always presumed that money put away in savings as a result of hard work would be invested by Canadians in speculative or risk capital. It was found this was not so. The reason other countries have had greater success, especially the United States, is that there is a fantastic accumulation of capital, going back to the whaling days, and the investment of that capital has generated more money for risk investment. It was also a different type of investment.

Canadian history of investment in enterprise with public distribution of shares has never been very good. By and large public investment has been in gold and uranium mines. These ventures usually wound up in the hands of a small group in Toronto or Montreal living on Bridle Path or Post Road making a few million dollars and everybody else losing a few hundred dollars. The

history of investment has not been bright. That is the reason for the thought behind the Canada Development Corporation, namely, to assist enterprise to develop. Since 1962 we have seen many examples of development corporations. They have existed from the Maritimes to British Columbia, and invariably few have been successful. I am speaking of the Newfoundland Corporation and the Maritime Corporation, among others. Very few have worked out and have been, if not unsuccessful at least not warranting further development.

Now the government has taken a new approach. It wants to develop an "instant" giant corporation. This, again, is not the answer because it loses sight of the original concept. I only intend to speak briefly but I would remind hon. members of some very cruel facts of the business world. A corporation or enterprise is successful because of the greed or selfishness of an individual or a small group of individuals. They want to make money and gain power. They want to gain an equity position in a structure which will be theirs. I put it to the House that corporations which have grown large and have lost control by a small group have usually wound up in bankruptcy.

There is no such thing as a corporation controlled by directors who have nothing to gain. Normally, enterprises work out well if the directors, the president, the vice-president in charge of sales, advertising, and so on, have something coming to them; usually it is share equity. A president is appointed and told that if the enterprise is successful he will be given or will have the option to buy a hundred thousand or a million shares, whatever it may be. The desire for power and gain keeps these corporations growing and becoming successful.

Naturally, a government type of development cannot offer this incentive and unfortunately we wind up with apprehensions of the type expressed here today. We build a mediocre-type corporation which does not do the right thing. Creating an "instant" giant of the four or five Crown corporations which Canada now has will not solve the problem. All it might do is diffuse the ability we now have in this field.

This will be the last chance I will have to advise the parliamentary secretary and the minister that there is still a great opportunity for the Canada Development Corporation if we return to the original purpose, and that is to assist the development of enterprise. When you examine all these problems you find that there are no buyers for shares because the law does not protect minority shareholders. The history of Canadian investment is such that if you guarantee an investor a return on his money, he will buy. Canadians are not too easy with the money they have saved and they will not invest if there is risk.

The position of the Canada Development Corporation could be very strong if it adopted an approach similar to that of Central Mortgage and Housing in the mortgage field. The corporation should work toward a program by which it could examine new or existing enterprises. It could then set a certain premium to be paid by the corporation. The corporation could put its stamp of guarantee on the shares. Then you would find growth.

This is not so strange. What I am really asking is that the small shareholder be put in the same position as large corporations. Many times I have invested money for clients on a short-term basis. I have purchased shares in large corporations. My clients were not willing to take the risk of a loss in the future. I went to a commercial banker and showed him a portfolio of shares which I required to cash six months hence. I asked how much it would cost to ensure the return of that amount of cash. He told me the premium, which I paid, and I was sure that six months later there would be at least that much money available. If there was more because the shares increased in value, my clients prospered: if there was less, the commercial banker took the loss.

What Canadians need, and must have before they invest in small enterprises and in the growth of an enterprise with a wide distribution of shares, is this type of guarantee. In a similar way the Canada Development Corporation could be very successful. It could examine and scrutinize all corporations and then approve some as good ventures. It could give the stamp of approval to sound enterprises which warranted a wider distribution of equity shares. The CDC should state to shareholders that it will give a guarantee on the premium.

• (3:40 p.m.)

If the contemplated approach is used, I do not think the future will be entirely black—but let us face it, it will not help the individual enterprise in Canada grow and there will still be the tendency for Canadian entrepreneurs to sell out to Americans who can do this sort of thing on a large scale. I urge the government to review its position within the structure of the act so that, as I have stated, it will have the power to use the CDC as an instrument to guarantee the shares of companies with a promising and worth-while future.

Mr. J. P. Nowlan (Annapolis Valley): Mr. Speaker, at this stage of the bill I intend to be very short, which perhaps will be a surprise to some of my colleagues in this chamber. However, it is possible to be short and still be succinct and relevant.

As I rise to speak on Bill C-219 to set up the Canada Development Corporation there are many mixed thoughts in my mind. But in a philosophical sense, when we speak of the CDC in this day of the abbreviated form, whether it is IBM, GMC, 3-M or ATT—and now CDC—one can almost write a poem about abbreviated forms of iambic-pentameter time according to Shakespeare and everything else.

My concept of the CDC, which differs from that of several of my friends to the left, would be more in the form of another abbreviated phrase. I suggest that rather than "CDC" it could be "4S's". The four S's are "sop, sham and shabby substitute". Without going into detail, I believe the bill we are debating is a real sop to the nationalistic mood in Canada as in our 104th year we Canadians still try to define our national id, our national

identity. I have nothing against that, but I question whether the CDC will produce some of the strength for the national identity that we all want.

It may sound fine to some intellectuals who think we are trying to buy back the past or preserve the future, but from the debate we have had we know there is disagreement in this House concerning whether the bill will do all that its backers and opponents would like it to do. It may be fine for the founding fathers of an independent Canada movement to point to the CDC and say it will help us control our economy and the integrity of the corporate enterprise and/or individual enterprise. But having read the bill and having listened to some of the debate in the House I say that because it does not go far enough—like my friends in the NDP—it is a sop to the nationalistic mood of this country.

The second "s" in my equation is that Bill C-219 is a sham to realistic economic planning because it attempts to balance the unbalanceable. It attempts to equate the motive for profit and all the enterprises where profit is the incentive. I am not against profit and certainly not against incentive, but I suggest that in this type of corporation which is supposed to do so much for Canada you cannot have the profit equation on the cash register on one hand and the necessity for development on the other. I suggest they are almost irreconcilable. I do not mean by that that you cannot have, through development, some profit. Obviously you can in the way private enterprise works in Canada, with all the state control we have.

My friends to the left may want more state control. I understand their point of view. I sympathize with it but I do not agree with it on all occasions. Through development may come profit, but you cannot have it the other way around if you are planning for the logical economic development of Canada. If your profit motive is the incentive for what you do, obviously you will remain outside a lot of the barren areas of Canada which need development.

My first "s" was a sop for the nationalistic movement in Canada and all the founding fathers, including Walter Gordon and other notables. The second "s" is that I believe sincerely—I do not like that word very much—it is a sham to realistic economic planning because you cannot balance profit with development. Through development may come profit, but through profit you may never have development. I have listened to the learned arguments of my friend from Timiskaming (Mr. Peters) and all those who have contributed so constructively to this debate, and I say that the last "s" in my 4S's is negative suggestion. That is admitted, but perhaps we in the opposition are cursed because we can only be negative from time to time. My last two "S's" are for the words "shabby substitute". I suggest the proponents of this bill are trying to perpetrate upon the Canadian public a shabby substitute for a relevant and viable vehicle for economic growth.

There is no doubt, as we look around and see all the indices, tables and so forth which are available from the Bureau of Statistics and other places, that we need economic growth in this country. But I question very definitely whether Bill C-219—giving it all the benefit of the doubt, having read all its terms and having heard the explanations of the Minister of Finance (Mr. Benson) and his parliamentary secretary—will produce the relevant and viable vehicle for economic growth which we so desperately need and anxiously await in Canada. Here I may differ very much from my friends to the left and perhaps many of my friends across the way who sometimes seem closer to my friends to the left than I am. That may be the case and they will have to live with it. However, my philosophy in the whole question of economic growth is that government should stimulate policies for development, and not develop legislative structures or legislative vehicles like the CDC in an effort to pretend that we have development.

• (3:50 p.m.)

We need over-all economic policies to move us up to the next step on the ladder. No one pretends we have reached our goal, but I suggest that in that step by step process up the economic ladder it is a shabby substitute to perpetuate Bill C-219 for the concept that was developed by the Walter Gordon's of Canada, and to pretend in this chamber that this bill even comes close to what the Walter Gordon's and the Alvin Hamilton's used to say about the necessity for legislation which would allow Canadians to develop our country and invest in Canadian industry.

It is anticipated that we will have a budget on June 18. I do not know why there is not yet an economic, across-the-board policy which would discriminate in favour of Canadians developing Canadian industry. During the life of the twenty-eighth Parliament it has been an accepted fact in committee hearings, because of the white paper, the evidence of the Minister of Finance and of many other Canadian economists, that there should be a capital gains tax in Canada. I am not arguing for or against that question today but I hope to have the opportunity when we debate the budget, depending on what the Minister of Finance does, to express my opinion that in this area alone there is potential for a viable policy for economic growth with a capital gains tax which would discriminate in favour of Canadians.

If I or other Members of Parliament—whether or not we have a pay increase—had any money left to invest after meeting our tax load, which is the same as that of the people in the press gallery and of people outside, although some misguided people might think we are protected, and wished to invest in a Canadian industry and realize a profit, it might be good policy for us to reinvest in a Canadian enterprise and not have to pay a capital gains tax on it. On the other hand, if I invested in an invidious U.S., British or French company I would have to pay a Canadian capital gains tax. In that way I suggest seriously we would be doing more for our economic development potential than is pretended in Bill C-219, which is supposed to develop a corporation to stimulate growth of Canadian industry.

Having said all that, I shall have no hesitation in voting against Bill C-219 because it is a sop to the nationalistic fervour of this country as we are trying to reach

out and discover who we are, and I am all for that. However, I say it is a shadow and a pretence to think we will find solace in the CDC. I say it is a sham and it is not realistic economic planning because, as my friends to the left have said so well, especially the hon. member for Waterloo (Mr. Saltsman) in his contribution to this debate, you cannot have the profit motive and the development necessity. If you turn them around, you may get some profit, but you will never get development if you use profit as the catalyst. Third, it is a shabby substitute for a relevant economic policy.

For those reasons, which I say add up to "4S's", sop, sham and shabby substitute, I will vote against this bill—and those are better reasons than many others which have been advanced for voting against other government bills. I wonder, in a philosophical way, if the CDC as it will be established under Bill C-219 is not another example of this government's preoccupation with culture and constitutions. I say this advisedly, not wanting to detract from the necessity of defining what Canadian culture is, whatever it may be, and it is an opening process, an evolving process. The culture that we have today is obviously far different from what we had 50 years ago and from the concept of the Fathers of Confederation.

In like fashion, when I refer to constitution I do not refer solely to the Prime Minister's (Mr. Trudeau) and his government's preoccupation with an amendment to the BNA Act, with an amending formula or with the division of powers as between one provincial government and other provincial governments and the federal government. All these are very necessary and important—but in so many bills that we have had before us as legislators the government opts for the structure, for the Constitution, rather than for the reality which the Constitution is supposed to maintain.

You only have to consider the farm bill, Bill C-176, which was supposed to set up a framework to bring about a new millenium in agriculture in Canada. The minister responsible for the Wheat Board has contributed in part to that debate and so have hon. members on this side from time to time. But a bill like C-176, which creates a national farm marketing agency, by itself does nothing for agriculture. It is the producers who count in agriculture, and only then is there need for some regulation and control.

In like fashion we have here the CDC. Everyone talks about economic development and about Canadians owning Canada. I suggest that we go about it back to front, which is a kind way to put it, because the CDC by itself, and especially with the restrictions in this bill, will not do much to help the average Canadian to produce and participate in our economic growth. I almost hope I am proven wrong, although I do not think this will be the case. I submit that, for example, a change in the fiscal or the taxation policy could do more with a sweep of the pen than we are doing with all the words in this bill.

The government thinks that the government reorganization bill will make for more efficient government. I question that. But before trespassing too far let me say that I hope I will have an opportunity to make a speech in this chamber on what I mean when I say this government is preoccupied with culture and with constitutions in various forms. Even though I am a member of a party that is opposed to the government, I went through the election in 1968, as the Prime Minister did, with the secret hope that we might accomplish in this chamber and in the country something that he was given a mandate to do. But I suggest that because of his preoccupation with constitutions, with culture and with all the structures that are involved, he has fallen by the wayside. Now he has to rely on sorties to Russia, China and other romantic spots in order to gild the lily. But that is another debate.

• (4:00 p.m.)

So far as Bill C-219 is concerned, I firmly believe the government should stimulate policies for economic growth and not create companies for the Canada Development Corporation to invest in, which is all we are doing here.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, for a long time members of the New Democratic Party and of the Co-operative Commonwealth Federation before that, were in favour of establishing a national organization through which average Canadians could invest some of their savings to develop various segments of the Canadian economy. Socialists across Canada have for years supported that proposition. Now it is a matter of regret to us that the government, which has stolen so many planks from our program, has taken this particular plank and dressed it in such garb that it is unacceptable to those who believe in the principle that it is supposed to espouse.

It seems to me that only those Liberals who believe in political expediency, who believe in a return to themselves, could support the Canada Development Corporation as proposed in this bill. It seems to me that the CDC is unlikely to do much for the Canadian public despite the fact that the government has decided that its investment decisions must be profit-oriented.

I have been listening to the speeches made in this debate. I was particularly interested in the speech made last night by the hon. member for Prince Edward-Hastings (Mr. Hees). When he was a minister of the Crown he was able to develop the philosophy that everybody in his department should get out and participate in the achievement of its aims and objectives. That was the Department of Trade and Commerce. He gave everyone in it a set of cuff-links inscribed to the effect that they should get off their fannies and go to work. If leadership is given it is well known that it will attract large-scale support. I think this was proven in that case.

I am not interested in a profit-motivated corporation. While I am not experienced in finance, not even to the extent of handling my own finances with any great ability, I was impressed with the remarks of the hon. member for York East (Mr. Otto) who pointed out a number of

important facts. The first fact he mentioned is that the Canadian public only invests in sure returns. Canadians do not want to speculate and, God bless them, I can realize why. For many years I was a miner. I saw Bay Street and James Street sell every kind of moose pasture in northern Ontario, moose pasture that did not have a trace of minerals in it. These people made their sales on the basis of all kinds of promises. I say that the gangsters in Toronto have financed Toronto by selling moose pasture in various parts of the country. Anyone who knew where those moose pastures were simply was not interested in investing money in that kind of game.

Other investors are those who want to invest a buck in a lottery, hoping, on a million to one chance or a hundred million to one chance, to win half a million dollars. The odds are fabulous but they are willing to speculate a small amount of money. But as the hon. member for York East pointed out, most people who invest have saved their money diligently, usually at some cost to themselves, and they put it into long-term, low-interest investments in the United States from which they are sure of getting their money back and are satisfied with a reasonable though low interest return.

I believe there is a new kind of investor emerging in Canada. These are the young people who have not had things so hard in earning their money. Of course, many young people now are having difficulty finding jobs through which to earn money. But young people are interested in the development of Canada, in the development of Canadian industry, in the development of businesses that will employ other young people. They would be willing to invest through a Canada development corporation such as that envisaged by my party.

Comments have been made about the investment of public money in the Maritimes, about particular investments in Newfoundland and in Saskatchewan. The hon. member for Nanaimo-Cowichan-The Islands (Mr. Douglas), who is responsible for the development of many fine programs in Canada, told me that the government of Saskatchewan launched many developments through a provincial corporation similar to the CDC, and that less than 1 per cent of its investment was bad. The Saskatchewan investments were not made for the purpose of profit. They were made for the purpose of development. A large number of them had to do with utilities, the development of water, sewage and electricity services on which the return averaged 6 per cent, and on investments other than in utilities the return to the people of Saskatchewan averaged 16 per cent.

It is true that the provincial corporation lost money investing in a shoe factory. Why did it invest in a shoe factory? The reason was that the people of Saskatchewan were paying prices that were a third higher than those charged Canadians elsewhere for shoes. The people concerned admit that the Saskatchewan shoe factory produced a coarse product which did not meet the high standards set by Hart, Dack and other major shoe producers. But within a very short time the price of all shoes sold in Saskatchewan was greatly reduced, so the local factory was allowed to fail. However, through the result achieved it did serve the people of Saskatchewan very well.

It seems to me that any Crown corporation interested in development should have as its first and prime interest not profit but the interest of the people it serves. Are we to get rid of Polymer simply because that corporation, in making money, is performing in a manner that goes against the government's philosophy? The government is not unhappy when the CBC loses money; it thinks that is justified. It is not unhappy when Canadian National Railways do not make money. We forget that we carry the original debt with the original interest and that we did not contribute to the original purchase of CNR. The government carries this debt and is pleased to see that railway lose money. Why, Mr. Speaker? It is a Crown corporation, and Crown corporations are supposed to lose money!

• (4:10 p.m.)

On the other hand, the hon. member for South Shore (Mr. Crouse)—who I am sure is more of a Conservative than many of his colleagues—expressed the Conservative position with respect to this bill. He suggested that the government has no business monkeying with the financial development of this country. That, I thought, was a good Conservative position. The hon. member, however, does not remember that one of Ontario's largest Crown corporations was developed by Sir Adam Beck, an outstanding Conservative. He instigated development of a hydroelectric complex and wanted to manufacture cheap light bulbs which would burn forever, if that could be done. They were not to be like General Electric bulbs which will last 200 hours if you are lucky, or which will last 800 hours if you buy the better ones, if you are lucky. The company makes a commercial bulb which will save a man climbing a lamp post every few days because it may last up to 20 years. The hon. member does not realize that many Conservatives believed that people were more important than enterprises, than profits, and so on. They believed that people were the important factor and that governments should be more concerned about people and less about profits, prices or the other considerations that are involved in industrial profits.

The government has hamstrung this corporation. It will not be allowed to invest in corporations with a capitalization of less than $1 million. CDC is to take over and, I presume, operate corporations that are now successful. CDC will not be allowed to enter highly speculative areas and will not be allowed to go into areas of little or no profit. Mr. Speaker, the young people of Canada today believe that we should buy back Canada, that we should get control of Canada, and they do not particularly sympathize with the big companies. I heard a representative from the pulp and paper industry on television last night saying that his industry has done much to control pollution, that this has cost a great deal of money and "nobody gives us any credit".

The Manitoba government is suing a pulp and paper company for about $35 million because the company

polluted a river 600 miles away. Sure the industry has done something about pollution. Our young people say to them, "You must either clean up the pollution or close down." They are also saying, "Let's buy back Canada." Many of us believe that this will be difficult. I am sure that even the most conservative person believes that it is possible for private investment to help the development of natural resources in a way that may mean that the returns, if there are returns, are not necessarily in the form of profits.

A long time ago we decided that many public utilities should not be in the profit-making field. Many of us believe that investment in development areas need not be considered as coming within the profit-making field.

I have heard all kinds of nasty remarks about the intrusions of government into the development of industries in the Atlantic provinces. I am an outsider so far as the Maritimes are concerned, although I have visited the maritime provinces a number of times in the past few years. I was in Nova Scotia a week ago and was surprised on visiting the town of New Glasgow, to see the terrific amount of development which has taken place in the area. Of course, the development was not like that of the suburbs of Toronto. The town was not like Calgary. It was not going ahead like Hamilton. But the change that has taken place since I was there previously is remarkable, Mr. Speaker.

It may be that the Atlantic Advisory Council and agencies of government which have participated in the development of industry in the area have not made money from some of these developments. In that way the agencies have not been successful. Nevertheless, in the sense that the community will grow and that industry will develop in future years, those agencies have been successful because the development could not have been possible without their intrusion.

Today a number of questions concerning Panarctic Oils were asked. Panarctic is a corporation 45 per cent owned by the government, the rest being owned by private industry. Why the government did not have the guts to make its share of that venture 50 per cent or 60 per cent, I do not know. They certainly did not take any chances on that investment. There is now a fabulous development on islands off the Northwest Territories, and they have only scratched the surface. This company has been successful, destructively successful. If the company develops the large area it has blocked off, it will be even more fabulously successful and the government will be embarrassed. So what has the government decided to do? The Minister of Indian Affairs and Northern Development (Mr. Chrétien) indicated today that Panarctic has begun farming out its business to Imperial Oil. Has Imperial Oil ever farmed out anything to Panarctic? Would it ever do that? I will bet they would not. Yet Panarctic is to farm out its business because it has become too successful and the government is embarrassed.

I hope that the investment which the public will make in the Canada Development Corporation will meet with success. The corporation ought to be successful. On the other hand, there ought to be some failures inasmuch as the corporation should undertake development that private enterprise will not touch. The days when you could make a fast buck are gone. You cannot move into a forest, take out 10 per cent of the resources, destroy the rest, pollute the area, take your money and get out. You cannot go into a mine, take out some ore, if you are lucky, then take your money, invest it in another area and get out. Those days are finished. They are not finished by reason of the introduction of this bill. They are finished because our young people will not stand for the environment being ruined. They will not stand for the exploitation in which industry indulges.

I believe, Mr. Speaker, that there is a role for a Canadian development corporation. It should develop complexes in various parts of Canada and primarily in the primary resource areas. It should develop our resources, process them in a logical fashion and sell the finished product. Japan, the United States and most of the industrialized countries of Europe will be crying out for any raw materials that we can produce. I am aware that we have a surplus in uranium, copper and perhaps nickel. We certainly have a surplus of every agricultural commodity that we produce. However, this surplus situation is only temporary. Anyone who wishes to project the world demand for industrial development will realize that these resources must come from the countries which have the resources. Canada is one of these. In my opinion, as far as industrial processing is concerned, Japan will buy our iron, steel and other resources that can be developed to a degree. I do not suggest that we go into prefabrication in these areas, but that we finish the materials.

• (4:20 p.m.)

During my recent visit to Nova Scotia I was surprised when asked whether I was interested in subsidizing the transportation of steel to the province for the manufacture of boxcars. I said absolutely not. There is a steel mill in Nova Scotia. It can produce the steel that is required for these boxcars; they have foundry facilities and they can produce steel. If we provide the wherewithal by subsidizing the cost of moving sheet metal from Hamilton to Nova Scotia to prefabricate boxcars, why not prefabricate the boxcars being made in Hamilton?

Canadians are in a position to invest their savings in a corporation that will develop many of the resource-based industries which are desperately needed to provide jobs in areas in which it is almost impossible to create employment. Some of these projects will not be successful. They should not be successful; some should fail. There is no reason why the shoe factory in Saskatchewan should not fail. It does not matter a damn if it fails. It did not matter when the brick factory failed, because it served a purpose for the people of Saskatchewan; it enabled them to get the benefit of a better product at a lower price because the government was willing to develop it even at financial loss. Who carries the financial loss? It is all the people, and they have expressed a desire to do so.

Most of the resource-based development in this country could be developed in a highly successful way. It could

be a success for all the people of Canada. It would prohibit buying-out new resource areas and would prohibit their pollution. As sure as I am standing here, no Crown corporation of any description would be allowed to pollute to the degree of the exploiters of the resource-based areas of Canada.

I will oppose the Canada Development Corporation as a matter of expediency. I will oppose the proposition that it must be based on profit. I do so because the Canadian public demand the development of a corporation in which they can invest their money. Despite what is being said about the importation of foreign capital, Canadians invest more in the United States than Americans invest in Canada. Canadians will invest in finance companies, insurance companies, AT&T and other American corporations. On the other hand, American corporations invest very little in Canada. Most of the money they invest in Canada is returned to them in a very short period. The former Minister of Communications, the hon. member for Duvernay (Mr. Kierans), has said that our tax laws permit a write-off of between $1 billion and $2 billion per year through tax concessions. This means that investors who put their money into corporations in Canada will get their money back right away.

In my area Texas Gulf is being allowed a five-year tax-free period. This corporation will make millions of dollars in the first few years. It will probably be able to pay off its total capital investment with the money which is given to it in tax concessions. We have made concessions to industry and this has not worked. A large portion of Canada is not developed to any extent except in the basic resource development area. In the basic resource development area large sums of capital are being invested. A very small labour content is involved in that investment. In most cases it amounts to between $50,000 and $150,000 per job. I suggest that other industries dependent upon that resource will provide a very large labour content with much smaller investment.

As the Canada Development Corporation develops it must be made a Crown corporation. The government must control the development. This must be a partnership with the Canadian public so they will know where they can invest their money. As the hon. member for York East (Mr. Otto) pointed out, Canadians should be able to invest their money and get back as much as they invested. Canadians want to invest their money in the development of this country and be able to withdraw it when the need arises. They are not interested in making a huge profit on their investment. I am not talking about the speculators or the buyers of penny football pool tickets; I am talking about people who are interested in participating in the orderly development of Canada. They will participate if they are given an opportunity to have a say in how this country develops. This will not be done at a board meeting; it can only be done through Parliament.

The corporation must reflect the wishes of those who will be investing. These will be the people who wish to invest $1,000 or $2,000 in a corporation which will develop their country. They will do this on the basis of patriotism and the desire to have Canadian financing and, above all, Canadian control over our industries. For this reason they will participate in the development of the corporation. Canadians are not interested in investing in a corporation in which most of the companies have a hand, in which most of the companies will make their maximum investment, in which there will be a large amount of money and where the government will be making concessions so that the corporation will be successful. The only people who will benefit from that kind of corporation are those who have shares and participate as they would in any other company. That is not what Canadians want. They want an opportunity to participate in the development of Canada by Canadians, for Canadians. This is what they want and what they will demand.

If the government, with its majority, passes this bill it will find it will be unacceptable to the public. The public will demand that it be changed to make it their corporation so they can invest and participate in its development. The general public will demand that a corporation of this kind should build a pipeline through the Mackenzie Valley for the transportation of gas. Others would be able to use it on payment of a fee, but the Canadian people would own it. Thus, Canadian institutions responsible to Parliament would decide where the development would begin and where it would end. It would be in a position to control the amount of gas which could be exported. Such a corporation would have an immediate interest in building an oil line from western to eastern Canada so that all Canadians could benefit from the abundance of Canada's western oil and would have no need to depend on the whims of Nixon as to how much Canadian oil should be admitted and what would be traded in return for other concessions.

• (4:30 p.m.)

The young people of Canada are not tied to money as our generation is. They are not tied to the idea of bigness being necessarily good. They do not believe that corporations are bound to be right because they are large. They will be informed in their universities that most of the big corporations are extremely inefficient, that most of the leaders of big corporations are incompetent. We can see this from the names of those appointed to the boards of many of these corporations. There is no need for them to be efficient. They need only be big enough to buy up the competition. Then they can be as inefficient as they wish and still take all that the market will bear.

The new generation of Canadians has a different outlook, different aspirations. If the government is not smart enough to change, it will find that passing this emasculated document which is masquerading as a bill to develop Canadian resources, masquerading in the form of a crusader to buy back Canada, will not serve their interests in the least. If they think this bill will satisfy a much more enlightened electorate than we have had before, they are due for a big surprise.

I oppose this hoax on the Canadian public. I look forward to a day when more Members of Parliament believe Canadians should participate to a far larger

extent in their own development by contributing through their taxes and investing their money in this country so they can be masters in their own house. I look forward to that day and I believe it is not far off.

Mr. Randolph Harding (Kootenay West): It is not my intention to take much time on third reading, Mr. Speaker. I fully endorse the speech which my hon. friend has just delivered. He has very ably outlined the position of the New Democratic Party so far as the Canada Development Corporation is concerned.

Needless to say, our group is disappointed that no amendments have been accepted by the government. In the last two or three days we have moved a number of amendments which we believed would improve the legislation, but of course they were steam-rollered down. Unless the economic tactics of the government are changed, the only place in which it will have a majority will be on the floor of this House. The people of Canada are demanding that economic changes be made, and they are not getting these changes: they are not getting them through legislation, they are not getting them through this emasculated CDC bill we are now debating.

The legislation before us is woefully weak and it is deliberately designed to further weaken the small publicly-owned and controlled sector of the Canadian economy. It is a sop to private enterprise and a clear indication that the government intends to do little to arrest the increasing control which foreign ownership is exercising over the Canadian economy. In fact, the legislation proposes to phase out some of our most successful Crown corporations. It is an indication that the fire sale of our best Canadian resources will continue to be the policy of this administration. I have no hesitation in saying this. All the indications of the last three years are that this is to be the program of the government.

The legislation we are considering limits investment by the CDC to the shares of corporations in the $1 million and over bracket. The corporation will not be allowed to invest in smaller companies, to channel money into new resource projects which are needed to bolster our economy. This point has been raised time and time again in the debate. The corporation will be allowed to purchase four of our highly successful Crown corporations, Polymer, Eldorado Nuclear, Panarctic Oils and Northern Transportation Company. These corporations are now 100 per cent Canadian owned and controlled. They are being run efficiently and over the years they have returned substantial dividends to the Canadian people. Yet the government insists that the CDC be given a chance to take these corporations.

The fields which should be tackled are those which are foreign-dominated and foreign-controlled. As my hon. friend from Timiskaming (Mr. Peters) has just said, the young people, the new generation will not stand for this type of nonsense very much longer. Either these changes will be brought about by the House of Commons or they will vote in people who will be ready to make the decisions necessary to bring our economy back under the control of Canadians. Why must we sell these 100 per cent Canadian-owned corporations to the CDC? There will certainly be some investment in the corporation on the part of foreign-owned Canadian subsidiaries. Let us start investing in those secondary industries based on present resource development projects or in those sectors of the economy which are owned and controlled by foreign interests.

In my opinion the government has its priorities in a real mess. Its whole approach to economic problems over the last three years has been a tragedy for the Canadian people. The results of its economic program have been massive unemployment, inflation, a shortage of adequate housing, an environmental crisis and a tax structure which is completely outmoded. There are increasing indications of dissatisfaction with government policies. This is evident from the resignation from the cabinet of the former Minister of Transport and the former Minister of Communications; they resigned because of their dissatisfaction with the government's program and policies. This mood is spreading rapidly and the government should pay heed to it. As an example I would quote from the Toronto *Star* of June 4, 1971. This article, written about an economist who is disillusioned by the program presented by the government, reads:

• (4:40 p.m.)

Another economist, Max Stewart of the University of Alberta in Edmonton, who supported Prime Minister Pierre Trudeau in the last federal election, said, "I think Kierans' analysis is very sound, sounder than the one the government has."

But "it will have zero impact on Ottawa. They've closed their minds and they're impregnable."

There are dozens of other quotations I could make. The signals are up. Has the government lost all sense of reality that it does not recognize trouble when it sees it?

Mr. Francis: Get to the subject.

Mr. Deputy Speaker: Order. I heard remarks to my right to the effect that the hon. member who has the floor might be wandering a little and I think those remarks might have some substance. I would ask the hon. member to remember that we are now on third reading of the Canada Development Corporation bill.

Mr. Harding: I thought I was pretty well on target here, Mr. Speaker. This party has fought for Canadian control of our economy and we hope to bring that about. One of the instruments to bring it about is a CDC along the lines that my colleague has just finished explaining to the House. This is why we are very unhappy with the piece of legislation the government has brought in called the Canada Development Corporation Act. We have pointed out on many occasions that Canadian industry was being bought up by foreign-controlled corporations with the profits they made in this country. We have pointed out how many foreign-controlled corporations were receiving preferential treatment and did not pay just taxation on their returns. It seems that many economists in Canada share this view that was so ably put by the former Minister of Communications—

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

Mr. Deputy Speaker: Order. The Parliamentary secretary is rising on a point of order.

Mr. Mahoney: The hon. member appears again to have left the bill and to have returned to his text.

Mr. Deputy Speaker: It seems to the Chair that the hon. member who has the floor was returning to the bill. He was dealing with foreign ownership of Canadian corporations and Canadian assets and this seems to me relevant to the subject of the CDC.

Mr. Douglas: But it is a forbidden subject on the other side.

Mr. Harding: My Liberal friends do not like the views expressed by their former colleague in St. John's. I am just putting some of his remarks into this context in order to show the need for amendment to the bill even at this late stage. I was indicating that the former Minister of Communications, in a speech to the Canadian Economists Association at their annual meeting at St. John's, Newfoundland, six days ago made some very interesting remarks on the subject of taxation, investment, where we as a nation should be going—

Mr. Francis: What has that to do with this bill?

Mr. Harding: It has a lot to do with the bill. This is one of the instruments for getting Canadian investment in Canada, one of the things at which we should be aiming. The former minister was pointing out just where the government was going off the rails. His speech is worth reading and quoting and I congratulate him on speaking out on these fundamental problems, for we must face them if we are to solve the economic problems of this country. Some of the comments on foreign investment made by the hon. member for Duvernay are interesting. He pointed out that he felt investment stimulants or incentives have contributed more than any other single policy to the concentration of U.S. ownership that now exists in Canada. He went on to say:

—it is not what the Americans have done to us but what we have done to ourselves.

In other words, he is saying that it is the problems that we in this House of Commons have created which have caused the economic trouble in which we now find ourselves. He went on to point out that investment incentives apply precisely to those industries where foreign ownership is most concentrated—in the mining, petroleum and manufacturing industries. This is very pertinent to the bill and I should like to quote from page 11 of his speech as follows:

Investment incentives (depreciation, depletion, three year exempt mining income) apply precisely in those industries where foreign ownership is most concentrated, i.e. mining, petroleum and manufacturing. Total sources of funds for American subsidiaries in Canada in 1968 amounted to $2,611 million—

That figure is taken from a U.S. survey of current business.

Funds from the United States amounted to $127 million or less than 5 per cent. Within Canada was provided $1,027 million in net income, $864 million in depreciation and $539 million from Canadian financial institutions. Legislation to inhibit further inflows would be useless. Our tax laws are such that increasing ownership, takeovers and control of Canadian firms can be entirely financed from within our own economy.

What the hon. member for Duvernay is saying in simple language is that Canadian resources and industries are being bought up by Canadian money. And he is right. He then suggested remedies that could be taken. He pointed out that in 1968 less than 5 per cent of the funds of Canadian subsidiaries in Canada came from the United States, that over 95 per cent came from within Canada. This was also clearly indicated by surveys made last year by David Belli, an economist with the United States department of commerce who did a survey of U.S. subsidiary operations in Canada. He indicated that about 94 per cent of U.S. subsidiary investments in Canada are effected with Canadian funds, and that is in the records. He also indicated that in 1968 only $127 million were provided directly by parent companies or other United States financial institutions, and the ratio in the financing of U.S. subsidiaries in Canada in that year was about 19 to one in terms of Canadian and U.S. funds. For 1969 the picture is worse than that.

He also spoke about taxation, and this question ties in very closely with the bill since industry must make an adequate return to the Canadian people. The hon. member for Duvernay had some very interesting comments to make on taxation and produced some more than interesting tax tables which bear repeating. He pointed out, as I mentioned earlier, that incentives are provided for investment in certain industries. He also made crystal clear—

Mr. Francis: Again I raise a point of order, Mr. Speaker.

Mr. Deputy Speaker: Order. The hon. member for Ottawa West (Mr. Francis) is rising on a point of order.

Mr. Francis: Mr. Speaker, I have tried to relate the hon. member's remarks to the subject before the House. He is now talking about tax tables, tax yields and investments. The budget debate is not very far away. Perhaps the hon. member should go back to his files and pick out the speech that he intended to make in this debate instead of the one he is making at the moment.

• (4:50 p.m.)

Mr. Deputy Speaker: The Chair has been listening closely to the hon. member who has the floor and is aware that other hon. members feel there might be a question as to whether he is in order. In my opinion the hon. member has in fact been in order. As I understand his remarks, and I may be mistaken in this matter, he has been referring to such things as the accumulation of capital in Canada and the taxation policy which, as he indicated, will have relevance to the amount of capital available for the purchase of assets in Canada. While I understand the point made by the hon. member for Ottawa West, I think this debate is broad enough that the hon. member who has the floor is relevant. Unless I hear other argument I should not want to rule otherwise.

Mr. Harding: Thank you, Mr. Speaker. Yours are words of wisdom and I appreciate them very much. I felt I had been keeping to the topic because all this is relevant. I was referring to some remarks of the hon. member for Duvernay in connection with foreign ownership. I have one more quotation and then I shall deal with one or two tables. The hon. member for Ottawa West (Mr. Francis) can relax a little, and he need not be as embarrassed as he should be about the remarks of the minister. I quote from another statement about the results of tax policies in Canada as follows:

> If foreign ownership dominates the mining and petroleum industries, our tax system has clearly invited this concentration. We have not only extended a warm invitation to foreign capital, but we have told it where to go. If you invest in the service industries, we say, you will have to pay taxes on 87 per cent or 90 per cent of your profits. On the other hand, in metal mining you will only have to pay on 13 per cent and in petroleum on 5.7 per cent of your profits. The invitation says in effect, "come and gut us".

There are one or two tables I should like to deal with. They were raised in the House the other day. They are worthy of repeating because they should indicate to hon. members and the Canadian people the trouble we are in as far as resource development is concerned. Table No. 2 given by the hon. member for Duvernay in his speech refers to metal mining. The hon. member pointed out there was a book profit of $1,707 million from metal mining, yet the taxable income was only $222 million. Only 13 per cent of the total book profit was taxable. That was not the total tax taken in; it was the amount of which tax was payable. There were $1.5 billion of book profits in the metal mining industry on which Canadians received no return. It is in this area that we are referring to the CDC and investment in Canadian resources. Some thing like $1.5 billion could not be touched; it went out of the country. And you wonder why people are fed up, sick and tired of the programs and policies this government had laid down over the years. It is not improving on them.

Let me refer to mineral fuels, which include oil. This is a pretty touchy point. There were $795 million in book profits in the mineral oil industry and we only taxed on $45 million. Only 5.7 per cent of the total book profits in the mineral oils industry was used as the tax base. We never received $45 million out of $795 million; the $45 million was the total on which we based corporate taxes. The government calls this a fair share, when other groups of individuals and corporations in the country are receiving a shellacking from this government. No wonder there is an uproar from one end of the country to the other.

Then we come to the category of "other mining." There was a book profit of $374 million. The taxable income was $120 million or 32 per cent. Let me move to the end of the table, where we find the retail trades. This is very interesting. What is the composition of the retail trades? I suggest it is a host of little businesses from one end of Canada to the other. Out of $1,620 million, this industry was taxed on $1,445 million, or 90 per cent of its book profit. There is a big difference. We come to the other end of the scale and find that for mineral fuels, which are dominated by foreign-controlled corporations, the taxable income is only 5.7 per cent. This is the point our group has been trying to make in this House. We are fed up with policies that allow this to go on and we are asking for changes. That is why we raise these issues.

Here we are in this country, with from 600,000 to 700,000 people unemployed in addition to students who cannot find jobs. Thousands of students cannot find even a summer job. I suggest the reason behind this can be found in the resource development programs of this government. We have allowed corporations to come in and get a stranglehold on the key resources of our country. They go into the north, to the mining areas and extract the choice minerals. Almost without exception they are shipped out of Canada without any fabricating taking place. This is the sort of thing we suggest the Canada Development Corporation should change. We should be fabricating these materials. The fabrication of our raw materials should take place within the confines of Canada. This would give jobs to Canadians, in a Canadian setting. The measure before us will not accomplish that objective. The CDC will not go into these fields and return the ownership of the economy of Canada to Canadians.

We take objection to this measure and we are speaking out now. We urge the government to consider some of these clauses and even now accept some of the amendments we have suggested. There is a host of arguments, as my friend suggested, which can be saved for the budget debate. Again I suggest through you, Mr. Speaker, that members of the Liberal government should, for goodness sake, have another look at the legislation. Let us get something in here that will give Canadians the hope that we will start moving into these fields and gradually regain control of our economy for the people who live in this country.

At the rate we are going, so far as investment and resource development programs of this government are concerned we are becoming squatters in our own country. Again, in closing I urge that the government take another look at this measure before we vote on it and it is passed through the House in its present form.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on the motion by Mr. Benson, seconded by Mr. MacEachen, that the bill be now read the third time and do pass. Is it the pleasure of the House to accept the said motion?

Some hon. Members: No.

Some hon. Members: Agreed.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Division

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The House divided on the motion (Mr. Benson) which was agreed to on the following division:

• (5:00 p.m.)

YEAS

Messrs:

Badanai
Barrett
Basford
Béchard
Beer
Benson
Blair
Blouin
Boulanger
Breau
Buchanan
Caccia
Chrétien
Clermont
Cobbe
Comtois
Corriveau
Côté (Richelieu)
Côté (Longueuil)
Cullen
Cyr
Danson
Deachman
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Francis
Gendron
Gervais
Goode
Goyer
Gray
Groos
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Jamieson
Jerome
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
La Salle
LeBlanc (Rimouski)
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Lind
Loiselle
MacEachen
McIlraith
McNulty
Mahoney
Marchand (Langelier)
Murphy
O'Connell
Olson
Osler
Penner
Pepin
Perrault
Reid
Richardson
Roberts
Serré
Smerchanski
Smith (Northumberland-Miramichi)
Stafford
Stanbury
Stewart (Cochrane)
St. Pierre
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Whelan
Whiting
Yanakis—86.

NAYS

Messrs:

Asselin
Bell
Bigg
Brewin
Coates
Code
Comeau
Crouse
Danforth
Dinsdale
Douglas
Forrestall
Gilbert
Godin
Grills
Hales
Harding
Harkness
Horner
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Lambert (Bellechasse)
Latulippe
MacInnis (Mrs.)
MacLean
Macquarrie
MacRae
McCleave
McCutcheon
McGrath
McQuaid
Mather
Monteith
Muir
Murta
Nesbitt
Nowlan
Orlikow
Peddle
Peters
Ritchie
Rodrigue
Rynard
Saltsman
Schumacher
Scott
Simpson
Southam
Stanfield
Stewart Marquette)
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Woolliams
Yewchuk—56.

• (5:20 p.m.)

Mr. Speaker: I declare the motion carried.

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

* * *

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENTS RESPECTING RATE PER BUSHEL, EMERGENCY PAYMENTS, EXTENSION OF APPLICATION TO RYE, FLAXSEED AND RAPESEED

The House resumed, from Monday, June 7, consideration of Bill C-239, to amend the Prairie Grain Advance Payments Act, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. Speaker: When the House rose on Monday, June 7, 1971, it was considering motion No. 8 standing in the name of Mr. Gleave. Is the House ready for the question on motion No. 8?

Some hon. Members: Question.

Mr. Speaker: Mr. Gleave, seconded by Mrs. MacInnis, moved:

That Bill C-239, an act to amend the Prairie Grain Advance payments Act, be amended by deleting the following words from subclause (1) of clause 11, in lines 35 to 38 at page 10:
"or has, otherwise than by delivery to the board, disposed of all or part of the grain in respect of which the advance was made,"

Is it the pleasure of the House to adopt the said motion?

• (5:30 p.m.)

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Speaker: I declare the motion negatived on division.

Motion No. 8 (Mr. Gleave) negatived.

Mr. Korchinski: On a point of order, Mr. Speaker, I earlier indicated that I was not prepared to go along with motion No. 8. There are several motions standing in my name on the order paper which according to your earlier ruling, were to be taken as a group. Are these now to be taken?

Mr. Speaker: The hon. member is quite right. The House will now consider motions Nos. 2, 3, 4 and 5 standing in the hon. member's name. Perhaps the Chair could put at the same time all the motions standing in the name of the hon. member for Mackenzie (Mr. Korchinski) which will be debated at the same time. First, motion No. 2. The hon. member for Mackenzie moves the following:

That Bill C-239, an act to amend the Prairie Grain Advance Payments Act, be amended by adding in clause 5 the words "the type of grain on which an advance was taken" after the word "grain" in line 31 at page 3.

Motion No. 3 is as follows:

That Bill C-239, an act to amend the Prairie Grain Advance Payments Act, be amended by deleting in clause 5 the words " the making of the advance payment" in lines 5 and 6 at page 4 and substituting the following words therefor "the final delivery of grain on which collection was made in repayment of an advance".

Next, motion No. 4:

That Bill C-239, an act to amend the Prairie Grain Advance Payments Act, be amended by adding in clause 5 the words "except where such discharge is by delivery of grain where a deduction is made which is greater than the rate of advance" after the word "payment" in line 15 at page 4.

Lastly, motion No. 5:

That Bill C-239, an act to amend the Prairie Grain Advance Payments Act, be amended by deleting in clause 6 the words "the making of the advance payment" in lines 8 and 9 at page 5 and substituting the following words therefor "the final delivery of grain on which a deduction was made for an advance".

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, the committee of the House of Commons dealing with agricultural matters did what I thought was a fairly extensive and thorough job in bringing in amendments to Bill C-239. To some extent those amendments were necessary simply because a different quota system has been arranged. Therefore, the committee was more or less dealing with a housekeeping chore. At the same time, certain new aspects were introduced to the cash advance legislation. It had previously dealt with the repayment of loans. It was not so much the repayment of loans question that concerned many hon. members, as the interest aspect of the legislation and the method of collection. This aspect of the bill disturbed us.

The government says that interest rates have fluctuated. Following policy lines which had been pursued in the last several years, the government proceeded to amend other items of legislation including the cash advance legislation which to all intents and purposes was intended to provide interest-free cash advances, as its earlier title suggested. However, by way of amendment and the introduction of new clauses to the bill, the minister managed to slip in provisions whereby the government could collect interest from the day on which an advance was first requested. We argued against this proposition. We felt that interest-free cash advances should be continued because cash sales were limited and a requirement for cash existed. A similar requirement for cash was evident two years ago.

When speaking on June 7, the minister told us that $272 million had been taken out on 112,000 advances, if my memory serves me correctly. As I have said, through the amendments there has been introduced a change in the method of collection. Instead of injecting or infusing money into the western economy, the government suggested to farmers that they avail themselves of the cash advance legislation and take out loans. The farmers took out loans. I understand that some 50,000 loans were requested but that only $90 million or $92 million was taken out. While the government was professing that this was a method of infusing money into the western economy, it brought in restrictions or applied impositions with respect to the method by which advances would be collected.

Secondly, the interest aspect reared its ugly head. Although the minister told farmers that the quickest and easiest method for them to obtain money was by utilizing the cash advance legislation, the farmers ran into difficulties. In the last few years conditions have been difficult. A depression was brought on through a crop failure. Then because of wet weather farmers were faced with the added burden of drying their grain. In addition we have record low sales. Last year's sales were the lowest in 15 years. Sales were so poor that farmers, in a desperate attempt to obtain cash advances, may in some cases have overestimated the amount of grain they had available.

One must know the complexities of the grain business to realize that two grain bins of identical volume and size may contain different quantities of grain. The quantity will depend on grade, and so on. Thus, one bin may contain perhaps twice as much grain as another bin of the same size and volume. The grain in the two bins may be of different grades and the grain in one of the bins may be damp. On the basis of past history one would think the farmer could accurately estimate what he had. On delivering the grain, however, he might find that it is out of condition and that the dockage and shrinkage is much more than he expected. It is very possible that farmers legitimately overestimated. He can only work on estimates. There is no formal inspection; the farmer simply signs an affidavit. When this happens, the farmer can be in the position of having overestimated and taken an advance on grain far in excess of what he actually

had. In most of these cases the farmers are back in business next year.

• (5:40 p.m.)

The government started dabbling in the cash advance repayment field for their own purposes, to pull them out of a political situation that was very embarrassing. There was a desperate need for cash. The government came out with a double amount of cash advancement. The sole purpose of doubling cash advances was for the government to get the money back into the economy as quickly as possible. In doing so they have changed the rules of the game. In changing the rules of the game the government may have intended to confuse the producers. Now that the producers have availed themselves of these new conditions, the government says, "We have caught you in the act. You had your hand in the cookie jar. You have to start paying interest in a different way than you have been accustomed to in the past."

The method applied was that when a producer committed himself to delivery of a six-bushel quota, if and when the quota was available, he had to deliver in a reasonable time. If he did not deliver when called upon by the Wheat Board, he was told that he was in default and that 6 per cent would be applied on the amount of the advance that was not repaid. The rules have now changed because the government wanted them changed. The government wanted that infusion of cash into the economy.

On June 7 the minister said that the producers had availed themselves of this cash advance program. The government now says that if the producer is in default, even by a very legitimate overestimation, he has to repay the cash advance in the same way as if he had borrowed the money from a bank. The principle is that the government wants to get its money back in a hurry. This is the prime purpose of the legislation. I could see that some parts of the legislation were working contrary to the original intent. I felt that some of it was tying the hands of the producers.

There are three types of grain on which cash advances are made, wheat, oats and barley. If, for example, I had 2,000 bushels of wheat that I could commit to the Wheat Board, I could take a cash advance on it. I may also have some oats and barley for sale. The amount on which I might be able to take an advance would be $6,000. If all I wanted to commit to the board or mortgage, was $2,000 on grain which I was prepared to deliver to the Wheat Board, the advance could be made. If all I am committing to the Wheat Board is my wheat, I should be able to take an advance on only that type of grain. I may have reason for wanting to keep my oats and barley available. The barley could be used as a cash crop.

Under the former practice, if one delivered a load of wheat, half the amount of the sale would normally be deducted in repayment of the cash advance. There may be a quota available and I may want to deliver a full load of barley because of my cash requirement. I may not want the Wheat Board to get its money back immediately. This should not be the prime requisite. The people of Canada should not have to work in the interest of the government. The government should be working in the interest of the people. Our thinking has become twisted somehow.

One of my amendments in committee was to the effect that it should be possible for producers to have a cash crop which they want to deliver. I do not suggest that producers should take an advance on only one grain. My amendment suggested that they should have the option of taking an advance on three grains. The minister said this would disturb a principle. The principle was interest free cash advances. Now it is interest-full cash advances. The original principle was to benefit the producer. The principle now is that the producer should benefit the government because the government is in a hurry to get its money back.

The government says, "We gave you an advance and, boy, you had better give it back tomorrow." This is why the committee, including government members, supported the amendment I made in committee. The minister then said, "What is the matter with you? The people have to work for the government. You are supporters of the government, but you have lost sight of the principle." Over the years they may have had the right slant on what is required of the government and what should be given to the government, but the principle now is that the government comes first. Regardless of what the minister said, I felt it necessary to correct a shortcoming in the amendments presented by the government.

I met the minister half-way in one of my amendments. Under the amendments suggested by the government a producer may have paid back everything except ten bushels and still be found in default. On an advance of $6,000 which you may have taken you could technically be found in default and have to pay interest on the whole amount at the interest rate the Governor in Council might suggest. The minister shakes his head, but technically this could be done. Maybe he would say, "Well, we would bend over backwards in a case like that. It would probably not be worth making a big issue out of it." But technically that is the effect of the amendment the minister introduced.

• (5:50 p.m.)

If a farmer had taken an advance of $6,000, he would still have to pay, even though he had delivered $5,000 worth of grain and had repaid $5,000, interest on $6,000, according to the changes. I have suggested in my amendment No. 4 that when a delivery is made and you have repaid $5,000, from there on in if you are found in default you should be prepared to pay interest. I did not say one should not pay any interest. I was quite prepared to go to the extent of accepting the minister's own suggestion that it should be at a rate which the Governor in Council himself had prescribed. That is bad enough. But I was willing to concede a point and say that from the date the last delivery was made, whether it was made at the end of January—or if you took it in faster, so much the better—or any date, from the date when the final delivery was made on which an advance was repaid I could be called upon and told, "You should have delivered, but you did not. We can legitimately say you have no more

grain." If that situation should arise, then interest should be charged.

But what has happened in the past? Even if the final delivery of grain was made in January, and there was no more quota until the end of March and when the quota opened up and the producer did not deliver, the board informed him he had ten days or so in which to deliver. If he did not deliver in that time he was found in default and he paid interest from March. So as a compromise I said, "Let's go half-way." But the minister wants it all. The government is hungrier than some of the people who took the advance because they did not have the money. They do not take an advance unless they have to.

The repayment performance under the old scheme was that only about 1 per cent of the advances were not repaid. And that was only because of some extreme difficulty, changing hands or sometimes fire or loss of grain from flooding, and so on.

Then suddenly the government changes the rules and says, "We have to get away from this. We are a high-interest government, so let's apply the principle all over the place. After all, this works hand-in-hand with our original intention. We will make it a little tougher for the farmer to get an advance. It will not be interest-free. He will have to pay interest." That adds to your cost, and we all know the net result. It's the last straw that breaks the camel's back, and combined with some of the other philosophies projected by this government one finds it easy to understand why they would want these changes. It is easy to understand why they would want to reject an amendment which even some of their supporters felt was necessary.

Mr. Speaker, there was great emphasis placed on the committee system and I, along with many members of the committee from all sides of the House, applied myself to the point where we even sat all night on occasion. Genuine ideas came forward from all sides; government supporters do not have a prerogative in this respect. I have sat in committees where it required the minister to tell his supporters what they should approve and what they should not approve.

This practice makes a farce of the committee system. It frustrates the work of committee members and the work of Members of Parliament who feel they have a contribution to make either on the basis of experience or because of having listened to briefs submitted by people who genuinely think they are doing something to change legislation. Some farm organizations go to great lengths to get the information. They go out into the country and get as much information as possible from individual producers. Then they compile the information, co-ordinate it and work together.

The executive sit around and say; "What is our final position to be? What is our submission to be?" Committees hear representations and some of us, even on the opposition side, can understand what the briefs suggest. We suggest amendments and on the basis of those amendments we think we are helping to improve legislation. But it seems that the government, or a group of civil servants who are hard at work advising the minister—who may or may not understand the situation—what will be good for him, and telling him he had better not accept any more amendments from the opposition, ignores our suggestions. The government accepted two of mine before the dinner recess and then suddenly they held a caucus and—

Mr. Speaker: Order. I must interrupt the hon. member because it is six o'clock.

* * *

BUSINESS OF THE HOUSE

Mr. Bell: Could I ask the parliamentary secretary to tell us the menu for tomorrow?

Mr. Jerome: Yes, Mr. Speaker. It is our intention in tomorrow morning's supplementary portion of the day to continue with this measure, that is to say, until the luncheon adjournment. Then there is to be a meeting of the House leaders in the morning and the afternoon's schedule will be drawn up from this meeting—the Judges Act, the pilotage bill, or unemployment insurance which was originally announced as being tomorrow's business, and the Canada Labour (Standards) Code.

At six o'clock the House adjourned, without question put, pursuant to special order.

HOUSE OF COMMONS

Thursday, June 10, 1971

The House met at 11 a.m.

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN SPEAKER'S GALLERY OF FRENCH DELEGATES TO MEETING OF CANADA-FRANCE INTER-PARLIAMENTARY ASSOCIATION

Mr. Speaker: I have the honour to bring to the attention of hon. members the presence in the Speaker's Gallery of the French delegation to the annual meeting of the France-Canada Inter-Parliamentary Association. The National Assembly of France has again shown the importance it attributes to the Association by the eminence of its delegates to this year's meeting. I particularly want to note the presence of the head of the delegation, Mr. Lucien Neuwirth, hon. member for the Loire department, Questor of the National Assembly and Secretary-General of our Association.

Mr. Neuwirth and the other members of the delegation come to Canada and to Parliament not only as parliamentary colleagues but also as friends. On behalf of this House, I extend a most cordial welcome to these gentlemen.

* * *

NEW MEMBER

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer a certificate of the election and return of Yvon L'Heureux, Esquire, member for the electoral district of Chambly.

• (11:10 a.m.)

[*English*]

ROUTINE PROCEEDINGS

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. David MacDonald (Egmont): Mr. Speaker, I rise under Standing Order 43 to ask the unanimous consent of the House to consider a matter of urgent and pressing necessity to all hon. members. I move, seconded by the hon. member for South Western Nova (Mr. Comeau):

That this House do order an immediate and thorough public inquiry into the operations and fund disbursement procedure of the Opportunities for Youth program, with a view to the allegations made by an alderman of the city of Toronto, and with a view as well to the widespread concern about modified criteria of approval, the reticence of the minister to publish statistics about provincial and per capita breakdowns that do in fact exist, and, above all, the failure of the department to have the decency to acknowledge all those applications received or to maintain regional consistencies in the awarding and approval of projects.

Mr. Speaker: The House has heard the motion proposed by the hon. member for Egmont.

This motion moved pursuant to Standing Order 43 requires unanimous consent of the House.

Is there unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

HOUSING

RICHMOND SQUARE APARTMENT PROJECT, TORONTO—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. S. Perry Ryan (Spadina): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion in a case of urgent and pressing necessity.

This matter concerns the potentially tragic situation created by the sinking of the CMHC financed Richmond Square limited dividend apartment house project. This 13-storey, multimillion dollar building has partially sunk into the ground. Floors, ceilings and bearing walls have obviously settled and are perhaps 10 to 20 inches out of line. There are approximately 80 apartments whose windows have popped out. The structure was apparently built on an old creek bed, and when the frost came out of the ground this spring a portion of the building subsided. The building is untenanted but is a hazard—

Mr. Speaker: Order, please. The hon. member cannot make a speech at this point. Will he kindly resume his seat. The Chair has to remind him of the terms and practice under Standing Order 43. The hon. member should indicate what his motion is so the Chair may inquire whether there is unanimous consent.

Mr. Ryan: Thank you, Mr. Speaker. I therefore move, seconded by the hon. member for Halifax-East Hants (Mr. McCleave):

That the Standing Committee on Health, Welfare and Social Affairs forthwith inquire into the faulty construction of the Richmond Square project, the responsibility of CMHC officials in approving and inspecting its site and construction; that the Committee recommend what action must be taken to remedy

the existing danger; and that the committee report back to this House before the House rises for the summer recess.

Mr. Speaker: Does the House give unanimous consent?

Some hon. Members: Agreed.

Some hon. Members: No.

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

* * *

CANADA COUNCIL

GRANT TO AUTHOR OF "THE TRUE EVENTUAL STORY OF BILLY THE KID"—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, pursuant to Standing Order 43 I ask for unanimous consent of the House to present a motion on a matter of urgent and pressing necessity. This urgent matter arises from the disclosure that a questionable piece of literature entitled, "The True Eventual Story of Billy the Kid", authored by B. P. Nichol, recently received a Governor General's literary award, and its author was the recipient of a $2,500 prize from the Canada Council.

In view of the fact that many respected reviewers, plus members of this House, have assessed this work as an affront to decency and a discouragement to serious literary effort and that, furthermore, it should be noted that many serious and competent students are being denied research grants—

Mr. Speaker: Order, please. I suggest to the hon. member that he should indicate what his motion is. I suggest to hon. members in a general way that perhaps we have reached the point where the terms of Standing Order 43 ought to be reviewed by the House or by a committee. In any event, the hon. member might indicate what his motion is so that the House can determine whether there is unanimous consent for consideration of the motion.

Mr. McCutcheon: I therefore move, seconded by the hon. member for Halifax-East Hants (Mr. McCleave):

That this House expresses its displeasure with the award recommendations in relation to the work entitled, "The True Eventual Story of Billy the Kid", and requests that this matter be immediately referred for consideration by the Standing Committee on Broadcasting, Films and Assistance to the Arts; and further that the Secretary of State, under whose administration such award recommendations are made, be summoned before the Standing Committee accompanied by the selection board who recommended this award.

Mr. Speaker: Hon. members have heard the motion which can only be put to the House by unanimous consent. I will inquire whether there is unanimity.

Some hon. Members: Agreed.

Some hon. Members: No.

[*Translation*]

Mr. Speaker: Since there is not unanimous consent, the motion cannot be put at this time.

[Mr. Ryan.]

[*English*]

CIGARETTE PRODUCTS ACT

PROVISIONS RESPECTING PROMOTION AND SALE

Hon. John C. Munro (Minister of National Health and Welfare) moved for leave to introduce Bill C-148, respecting the promotion and sale of cigarettes.

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

MOTIONS TO ADJOURN UNDER S.O. 26

YOUTH

ALLEGED MISHANDLING OF FUNDS IN ADMINISTRATION OF OPPORTUNITIES FOR YOUTH PROGRAM, TORONTO

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I ask leave, seconded by the hon. member for Broadview (Mr. Gilbert), to move the adjournment of the House under Standing Order 26 for the purpose of discussing a specific and important matter requiring urgent consideration, namely the charges of mishandling of funds by the federal government in the administration of the Opportunities for Youth program in Toronto.

Mr. Speaker: Order, please. The hon. member for Winnipeg North Centre has given the Chair notice of his intention to propose this motion under the terms of Standing Order 26. I might say that a similar intention had been indicated to the Chair by the hon. member for Egmont, but there was a slight difficulty in relation to the time of notice and it was agreed that perhaps the motion proposed by the hon. member for Winnipeg North Centre would apply equally to the motion indicated by the hon. member for Egmont.

The Chair has studied very closely the motion proposed by the hon. member for Winnipeg North Centre. With his knowledge of the rules, precedents and practice in reference to Standing Order 26, I believe he will appreciate that it would be very difficult for the Chair to accept the motion at the present time. It seems to me that this is the kind of proposal which should be put to the House by way of a substantive motion for consideration in due course, perhaps by the House itself or by a committee, rather than under the terms of Standing Order 26.

I might suggest that perhaps this is more of a proposal to be put to the House under the terms of Standing Order 43, as was done, rather than under Standing Order 26, but that is a question of judgment, I suppose, or even of taste. One hon. member might prefer to put it under Standing Order 26 and another under Standing Order 43. But I do not believe this is the kind of subject which can be considered by the House under the terms of Standing Order 26.

I must also suggest to hon. members that there is the possibility of debate on other occasions. In fact I have had the opportunity during the last few days on a similar

ruling to indicate that there will be many such opportunities during the days ahead to debate these matters. I would assume that hon. members would want to avail themselves of these opportunities to consider the very important matter raised by the hon. members for Egmont and Winnipeg North Centre.

• (11:20 a.m.)

ORAL QUESTION PERIOD

[*Translation*]

YOUTH

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR STATEMENT ON CHARGES BY TORONTO ALDERMAN

Mr. Louis-Roland Comeau (South Western Nova): Mr. Speaker, I should like to put a question to the Prime Minister, since the Secretary of State is away.

I would like to ask the Prime Minister whether he or another minister will answer the charges laid by a Toronto alderman concerning the Opportunities for Youth program and if a statement will be made in the House in this connection?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I was not aware of those charges and I do not know if they are justified. Anyway, I will inquire and discuss the matter with the Secretary of State.

[*English*]

OPPORTUNITIES FOR YOUTH PROGRAM—AUDIT AND VERIFICATION PROCEDURES—PROVINCIAL BREAKDOWN OF GRANTS

Mr. David MacDonald (Egmont): Mr. Speaker, perhaps I might direct my supplementary to the parliamentary secretary. Can the parliamentary secretary inform the House exactly what audit and verification procedures are to be followed by the government and exactly what assistance is being given the young people in dealing with bookkeeping and payroll control?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): Yes, Mr. Speaker. I might also in part answer the question raised by the hon. member for South Western Nova. I think the most relevant fact I can produce at this point is that there have been no moneys sent to Toronto yet. The contracts are still under negotiation. We hope to be able to confirm them as soon as possible. The other point that I think is relevant is that the charges made by Alderman Crombie are charges we would like to look into. They are not particularly specific at this point, and the Parliamentary Secretary to the Minister of Manpower and Immigration will be going to Toronto this afternoon to try to find out more specifically what these charges relate to in terms of specific projects.

As hon. members know, the process of approving projects has involved widespread consultations with voluntary agencies, with provincial governments in many cases, with government departments, with citizen's organizations and with the young people themselves. None of the funds will be sent without a series of checks throughout the summer.

Mr. MacDonald (Egmont): Mr. Speaker, I have a supplementary question for the parliamentary secretary. Since concerns similar to those expressed by the Toronto alderman have been expressed by others, particularly in relation to the regional balance and provincial balance in awarding projects, can the parliamentary secretary inform the House whether or not provincial breakdowns of expected expenditures now exist and, if they do exist, when they will be presented to the House so that members will be aware of the administration of this program?

Mr. Faulkner: The Secretary of State has said he will make a statement dealing with this and other questions which have been raised previously, and I would hope that that statement would be made as early as possible because it is understandable that there is impatience in the House on this matter. But it is a matter of all projects being finally approved and, as I think the Secretary of State indicated last week, there are still one or two projects which are not finally approved and any statement prior to that final approval would be premature.

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR COMMITTEE INQUIRY INTO ADMINISTRATION—ADDITIONAL FUNDS

Mr. David Lewis (York South): Mr. Speaker, I want to ask the Prime Minister, in the absence of the Secretary of State who according to the roster was to be here today, whether, in view of all the problems that have arisen and the charges of mishandling or mismanagement—the latter is perhaps a more appropriate word—of funds, the Prime Minister will agree to suggest to the Secretary of State that he refer this whole matter to the Standing Committee on Broadcasting, Films and Assistance to the Arts so that a full inquiry may be made not only into the criteria which the department has set up but also into the legitimacy of all the projects which have been approved?

Right Hon. P. E. Trudeau (Prime Minister): The answer is no, Mr. Speaker. The Secretary of State is attending a telecommunications meeting in the Maritimes. The parliamentary secretary has presented adequate answers to Parliament. It is obvious that the opposition is seeing a scandal in the spending of money which has not even been paid out yet.

Mr. Lewis: Mr. Speaker, I do not see any scandal in it at all, but if the Prime Minister, instead of being so touchy—

Some hon. Members: Oh, oh!

Some hon. Members: Hear, hear!

Some hon. Members: Order.

Inquiries of the Ministry

Mr. Speaker: May we have order, please. The hon. member has the floor.

Mr. Lewis: In view of the anxiety, not about scandal but about the uncertainty whether these programs will produce the results they are intended to produce, will the Prime Minister assure us that there will be a full statement within the next day or two on all these matters? May I also ask the Prime Minister whether consideration is now being given to providing additional funds for the Opportunities for Youth program?

Mr. Trudeau: No, Mr. Speaker. When these programs were announced it was said that we would analyse their efficiency and when the summer was over would look at the ways in which the program was successful or in what ways it might have failed in some of its objectives. At that time we will decide if we should continue with them or change them in some form.

Mr. MacDonald (Egmont): Mr. Speaker, I wish to rise on a question of privilege. A moment ago the Prime Minister remarked that the Secretary of State had adequately answered in the House all questions with respect to this program. I should like to state that during the period of the last two months I have had occasion to send both letters and telegrams to the Secretary of State on this important program and none of them have been answered either in the House or directly by mail or telegram.

Mr. Speaker: Of course that is not a question of privilege. I would not think that the matter should be pursued along those lines in any event.

[*Translation*]

OPPORTUNITIES FOR YOUTH PROGRAM—APPROVAL OF PROJECTS SUBMITTED BY ABITIBI APPLICANTS

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I should like to put a supplementary question to the Parliamentary Secretary to the Secretary of State.

A short while ago, he said that some projects were still being considered. Since some regions have been almost ignored so far, could the Parliamentary Secretary say whether the projects submitted by young people from Abitibi are under consideration, and is it possible that some might be accepted?

[*English*]

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): I would have to look into that. The projects that remain are very few in number. I think they number three and there are specific questions about the three. That is why they still remain unapproved. But I will certainly look into the matter to see if they relate to the Abitibi region.

OPPORTUNITIES FOR YOUTH PROGRAM—REQUEST FOR STATEMENT BY MINISTER ON DISTRIBUTION OF FUNDS AND TORONTO CHARGES

Mr. James A. McGrath (St. John's East): I have a supplementary question for the parliamentary secretary.

[Mr. Lewis.]

In view of the serious charges that have been levelled against the operation of this program, would he undertake to contact the minister today with a view to having the minister make a statement with respect to the distribution of funds under the program and with respect to the charges that have been levelled in Toronto?

Mr. James Hugh Faulkner (Parliamentary Secretary to Secretary of State): I must say I am astonished at the position taken by opposition members. There has been a charge made, generally unspecified, by an alderman of the city of Toronto. A parliamentary secretary, a member of this House, is going to Toronto to speak to him on this matter today. It would seem to me that it would be, at the minimum, at least courteous to wait until we find what the charges are. The only figure I have is a figure relating to $12,000 to which the alderman referred. I have looked through the Toronto projects and that refers to an air pollution project undertaken by engineers in the department of chemistry at the University of Toronto. It seems to be quite a respectable project. I think what we should do is wait until we find out what the specific charges are, and if there is a statement to be made it will be made.

Mr. McGrath: Would the parliamentary secretary undertake to contact the minister today to ask the minister to issue a statement today with respect to the distribution of funds under the program?

Mr. Faulkner: Frankly, I do not see the utility of that suggestion. The minister is in the Maritimes and the charges have come from Toronto. I think we will work it out in our own way.

Mr. MacDonald (Egmont): On a point of order—

Mr. Speaker: If the hon. member for Egmont rises on a point of order he will be recognized. The Chair will then go to the next questioner on a different subject.

Mr. MacDonald (Egmont): I rise on a point of order, Mr. Speaker. The parliamentary secretary suggested that the only concerns that have been raised are those raised by one Toronto alderman. I have expressed concern in a number of letters and telegrams which have not yet been answered. I should like to know when Members of Parliament can expect to receive reasonable answers from the responsible ministers in this government.

Some hon. Members: Hear, hear!

* * *

FISHERIES

WAIVER OF NOTICE REQUIRED BY UNITED STATES COASTGUARD PRIOR TO USE OF AMERICAN WEST COAST PORTS BY CANADIAN VESSELS

Mr. Thomas S. Barnett (Comox-Alberni): I have a question for the Acting Minister of Fisheries and Forestry which flows from questions I asked last week. Has the department been informed through the regional office in Vancouver that the United States Coastguard has waived

the 24-hour notice period which they have hitherto required with respect to Canadian fishing vessels before entry into west coast American ports?

Hon. Jean-Eudes Dubé (Acting Minister of Fisheries): Mr. Speaker, I will be pleased to bring this matter to the attention of the Minister of Fisheries who I believe should be here tomorrow.

* * *

[*Translation*]

CONSTITUTIONAL CONFERENCE

REPRESENTATION OF OPPOSITION PARTIES

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I should like to put a question to the right hon. Prime Minister.

As the delegations of some provinces to the Victoria conference will include representatives of the opposition parties, does the right hon. Prime Minister intend to invite representatives of the parties of the opposition in the House? We have been invited to the opening of the conference, but—

Mr. Speaker: Order. It seems to me that question was put yesterday in various ways. In any event, the right hon. Prime Minister might be allowed to answer briefly the question of the hon. member for Témiscamingue.

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question was asked yesterday and has been asked again today, but like so many other questions from opposition members recently, it is based on false grounds. To our knowledge, no province will bring opposition leaders as members of its delegation. If the hon. member or other Conservative members say otherwise, I would like some evidence.

* * *

OFFICIAL LANGUAGES ACT

QUEBEC—PROCLAMATION AS BILINGUAL DISTRICT

Mr. Martial Asselin (Charlevoix): Mr. Speaker, the Secretary of State being absent, I shall direct my question to the Prime Minister.

Could he tell us if the government has decided to accept the recommendation contained in the Duhamel report to the effect that Quebec should be made a bilingual district?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, we have already indicated that, according to the report, 90 days must pass before the government may make a decision. This delay has not yet expired. We shall inform the House in due time.

Mr. Speaker: Has the hon. member for Charlevoix a supplementary?

Mr. Asselin: Yes, Mr. Speaker. Can the Prime Minister assure the House that no decision will be taken about this matter before the latter is submitted to an appropriate House committee to enable Quebec associations to come before the committee and express their views on this important question.

Mr. Trudeau: Mr. Speaker, this is a suggestion that I will convey to the Secretary of State. It may have some good points, but I would suggest to opposition parties, and particularly to the Conservative party, that they do not have to wait for such a committee being convened before expressing their opinions. I hope that we will very soon hear the opposition's point of view on this matter.

Mr. Asselin: Mr. Speaker, I think that the Prime Minister should read what I said before when I expressed my views on this matter. So, if the Prime Minister addresses me, I am in a position to answer him.

* * *

[*English*]

CANADA COUNCIL

GRANT TO AUTHOR OF "THE TRUE EVENTUAL STORY OF BILLY THE KID"—SUGGESTED CHANGE IN PERSONNEL BECAUSE OF CERTAIN AWARDS

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I would like to direct a question to the Parliamentary Secretary to the Secretary of State. In view of the recent Canada Council grant based on the writing of a treatise relating to the life of Billy the Kid, can the parliamentary secretary say if this is a change of direction from subsidizing Marxism to marksmanship with short guns?

Mr. W. B. Nesbitt (Oxford): As a supplementary—

Mr. Speaker: Order, please. I have some doubt whether the hon. member should have a supplementary on this question, but the Chair will recognize the hon. member for Oxford on a related question.

Mr. Nesbitt: Thank you, Your Honour. I would direct a related question to the Parliamentary Secretary to the Secretary of State. Will the government take immediate steps to make appropriate changes in the personnel of the Canada Council in order to prevent future scandalous, ridiculous, and outright silly awards such as the one referred to this morning and others such as the one—

Mr. Speaker: Order, please.

* * *

CORPORATE AFFAIRS

STATEMENTS BY PRIME MINISTER AND MINISTER OF CONSUMER AND CORPORATE AFFAIRS RESPECTING BIG BUSINESS—GOVERNMENT POLICY

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the right hon. Prime Minister. Was the Prime Minister stating government policy when he assured the Canadian Manufacturers' Association in Toronto on Monday night that big business has nothing to fear from this government, and was the Minister of Consumer and Corporate Affairs also stating

government policy when he told the Canadian Association of Consumers in Halifax that big business would have to be subjected to government controls?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, the question could easily be answered if the hon. member would take the trouble to read the transcript of the speech.

Mr. Knowles (Winnipeg North Centre): As a supplementary question, will the government be introducing legislation along the lines expressed in Halifax by the Minister of Consumer and Corporate Affairs so that big business can be controlled, both in Canada and in terms of foreign ownership?

Mr. Trudeau: Mr. Speaker, I do not know what the minister said in Halifax—

Mr. Muir: It was a ho-hum speech—

Mr. Trudeau: —but I do know he intends presenting to the House—

Mr. Muir: Just another speech.

Mr. Trudeau: Pardon?

Mr. Muir: It was a ho-hum speech, something like the one you delivered in Toronto.

Mr. Trudeau: Ah-ha.

* * *

HOUSING

RICHMOND SQUARE APARTMENT PROJECT, TORONTO—SETTLEMENT OF FLOORS AND DANGER OF COLLAPSE

Mr. S. Perry Ryan (Spadina): Mr. Speaker, my question is directed to the Minister without Portfolio responsible for Central Mortgage and Housing Corporation. Is the 13-storey, multi million dollar limited dividend housing project in Toronto, known as the Richmond Square project, going to be condemned and demolished because of the settlement of all 13 floors and the menace of its collapse?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, I will take the question as notice.

Mr. Ryan: In light of this situation and also the tragedy at Saint Jean-Vianney, will the minister forthwith refer the whole question of the design, engineering and selection of sites for both these projects to the Standing Committee on Health, Welfare and Social Affairs for thorough investigation of the incompetency of his department?

Mr. Speaker: Order, please. The hon. member should realize that a question cannot be asked in those terms.

[Mr. Knowles (Winnipeg North Centre).]

[*Translation*]

INDUSTRY

MONTMAGNY—CHEMCELL LIMITED—USE MADE OF FEDERAL GRANTS

Mr. Adrien Lambert (Bellechasse): Mr. Speaker, I wish to direct a question to the Minister of Regional Economic Expansion.

Chemcell Company Limited, which announced last week the impending closing of its Montmagny plant, is reported to have received from the federal government the tidy sum of $497,000 in grants for modernization purposes.

Can the minister tell the House whether the project presented by that company to get grants mentions the modernization of the Montmagny plant?

Hon. Jean Marchand (Minister of Regional Economic Expansion): Mr. Speaker, we have granted incentives to the Chemcell Company for three of its plants. The amount of $497,000 referred to by the hon. member does not relate to Montmagny only. I believe that only a small portion of this amount applies to Montmagny, with the balance for Drummondville and another location. However, I will ascertain whether this grant relates to modernization or expansion of the plant.

Mr. Lambert (Bellechasse): Mr. Speaker, I would like to ask a supplementary.

Since the hon. minister is well aware of the disastrous situation which will prevail in Montmagny, is he prepared to discuss this question further with the officials of the company with a view to helping them if necessary to modernize their plant and thus avoid its shutdown?

Mr. Marchand (Langelier): Mr. Speaker, the problem in this case is that the company has not requested assistance. So we should have to beg them to accept it.

* * *

[*English*]

EXTERNAL AFFAIRS

PRESENTATION OF CANADIAN POSITION ON PROPOSED TAPS OIL TANKER ROUTE AT WASHINGTON MINISTERIAL MEETING

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister concerning the Washington ministerial meeting which we were told some weeks ago would deal with the TAPS project. Can he advise if the point of view of the Canadian government on this important matter will be presented today by the Secretary of State for External Affairs and, if so, what is the Canadian attitude?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, if the hon. member is referring to the meeting being held in Washington on the pollution question in Lake Erie, the answer is that such a meeting is being held and that the government is discussing with the government at Washington and I believe with some state govern-

ments, and with the government of the province of Ontario, ways in which this situation can be met.

Mr. Macquarrie: Mr. Speaker, do I take it from the Prime Minister's answer that the earlier intention indicated to the House that the TAPS route would be discussed at the June 10 meeting has been abandoned and that this important subject is not up for consideration today?

Mr. Trudeau: Mr. Speaker, it was my recollection that the meeting to which the hon. member refers was to take place on June 3 and not on June 10. I believe he may be confusing the two dates, but I will check with the Secretary of State for External Affairs.

DISCUSSION OF PROPOSED TAPS OIL TANKER ROUTE AND AMCHITKA NUCLEAR TESTS WITH UNITED STATES SECRETARY OF STATE

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): I have a supplementary question, Mr. Speaker. May I ask the Prime Minister whether the Secretary of State for External Affairs in his discussions in Washington today with Secretary of State William Rogers will be discussing two important questions of particular interest on the Pacific coast, namely the TAPS program already referred to and the proposed continuation of nuclear testing on Amchitka Island? Will either of these matters be raised at the meeting in Washington today?

Right Hon. P. E. Trudeau (Prime Minister): Not to my knowledge, Mr. Speaker. It is my understanding that the purpose of the meeting is to discuss pollution problems in the Great Lakes area. However, as I said in answer to the previous question, I will check to see if these other matters are also on the agenda.

DISCUSSION WITH UNITED STATES OF OFFER OF UNLIMITED ACCESS FOR CANADIAN CRUDE OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I ask whether any discussions are to be held today or in the immediate future regarding the offer by President Nixon of unlimited access to the American market for Canadian crude oil and what terms are being proposed with respect to a possible agreement?

Right Hon. P. E. Trudeau (Prime Minister): I could not say, Mr. Speaker, but I shall refer the question to the Minister of Energy, Mines and Resources.

* * *

INDUSTRY

DECLINE IN INDEX OF PRODUCTION IN APRIL—REQUEST FOR STATEMENT ON STEPS TO REVERSE TREND

Hon. George Hees (Prince Edward-Hastings): I have a question for the Minister of Industry, Trade and Commerce, whose duty it is to be in the House today, Mr. Speaker. He was here but has slipped out somewhere; perhaps we can entice him to return and face the music. If not, I shall address the question to the acting minister

and ask him to pass it on to the minister. In view of the fact that all components participated in the sharp decline of the index of industrial production in April, as reported by the Dominion Bureau of Statistics yesterday, would the Minister of Industry, Trade and Commerce take the first opportunity on motions to report to the House what steps his department intends to take to reverse this very serious trend so that the country may begin to experience the upturn in business which the Prime Minister and the Minister of Finance have so often told the House—

Mr. Speaker: Order, please. The hon. member for Malpeque.

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

Mr. Speaker: The hon. member rises on a point of order.

Mr. Hees: Mr. Speaker, I have asked a very serious question in a serious way, and the Minister of Finance, having some responsibility in this matter, rose to answer. I should like to know why Your Honour considers my question was not in order.

Mr. Speaker: Order, please. I interrupted the hon. member because I thought he was going on to make a speech.

Mr. Hees: No.

Mr. Speaker: If he had reached the point where he had effectively asked the question, certainly the minister may reply.

Hon. E. J. Benson (Minister of Finance): Mr. Speaker, I answered a similar question yesterday. If one looks at the details, in the durable goods manufacturing group six industries showed gains while only two showed declines. In the non-durable manufacturing group eight showed gains while four showed declines. I explained the particular declines yesterday.

Mr. Hees: As the index of industrial production—

Mr. Speaker: Order, please. I regret to interrupt the hon. member but the Minister of Manpower and Immigration is seeking the floor on a point of order.

Mr. Lang: I rise on a point of order, Mr. Speaker. In view of the first comment of the hon. member I should like to make it clear to the House, and I am sure the hon. member will be glad to hear it, that the Minister of Industry, Trade and Commerce left the House a few moments ago to meet a Japanese trade mission.

Some hon. Members: Hear, hear!

Mr. Hees: I would say, thank Heaven he does something useful once in a while; I am very glad to hear that he has gone to this meeting. I should like to direct a supplementary to the Minister of Finance. Does the fact that the index of industrial production rose during the latest month reported on at a rate of 10 per cent a year

mean that we are just doing fine or is that the kind of business upturn that the minister and the Prime Minister have been telling us for some months past we are going to have?

Mr. Speaker: Order, please. If the hon. member will allow me to interrupt, I would suggest that this is argument and not a question.

Mr. Hees: If that is a win, I would hate to see a loss.

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INQUIRY OF THE MINISTRY

Hon. J. A. MacLean (Malpeque): Mr. Speaker, my question is prompted by a number of answers given to previous questions. I should like to ask the Minister of Manpower and Immigration if he has given instructions that remaining stocks of the pamphlet issued by his department some time ago should be retained so that an adequate supply will be readily available for the use of himself and his colleagues on the treasury benches? The pamphlet to which I refer is entitled, "Don't Let a Sense of Failure Throw You".

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NATIONAL DEFENCE

ALLEGED SQUANDERING OF MONEY BY ARMED SERVICES IN PURCHASE OF TRUCKS

Mr. Eldon M. Woolliams (Calgary North): I should like to direct a question to the Minister of National Defence. In light of the information given about extravagant squandering of money in reference to trucks purchased by the armed services and for the armed services at a cost of $4 million, which trucks, either wholly or in part, were not used at all and were later sold for $236,000, would the Minister of National Defence be prepared either on motions or perhaps today to make a short statement giving the House an explanation for such extravagance with the taxpayers' money?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I should point out that the trucks were acquired in the time frame 1951 to 1953 as potential wartime reserves at that particular time. They had been held for a period of nearly 20 years and had become unserviceable just by the passage of time. It is for that reason that these 20-year old trucks were disposed of at the best price that could be obtained on the market.

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EXTERNAL AFFAIRS

ORIGIN OF ARMS FOUND AT ASCOT, ENGLAND

Mr. J. M. Forrestall (Dartmouth-Halifax East): My question is also directed to the Minister of National Defence, Mr. Speaker. I should like to know whether the government has as yet identified an alleged Canadian military arms cache found in Great Britain and, if so, could the minister inform the House whether these arms had been sold to a foreign government or whether they had been disposed of to private individuals in Canada and subsequently resold?

Hon. Donald S. Macdonald (Minister of National Defence): Mr. Speaker, I should like to thank the hon. member for giving me notice of the question. The Canadian representatives in London have sought to find out from the British authorities the details of the weapons in question referred to in the news story but up to the moment no information has been received. So far as I can determine from the Department of External Affairs, the Department of National Defence and the Department of Supply and Services, we have had no inquiries whatsoever from the British officials with respect to these weapons. If we did have some specific information we could obviously determine more quickly the circumstances under which, if they are Canadian, they got there, but at the moment we have no information whatsoever as far as I can find out. With regard to possible disposal, I should indicate that there have been disposals of weapons in Europe by the Canadian Armed Forces in years past to the agencies of foreign governments but strictly on the condition that they were to be rendered into scrap. If these conditions have not been honoured, this is another question, but we do not have identification of the weapons yet.

Mr. Forrestall: I wonder if the minister could clarify one other question surrounding this problem and get some information on whether the Canadian Armed Forces have had quantities of machine guns and other arms of this nature stolen from them at any time in the last eight or ten years?

Mr. Macdonald (Rosedale): Mr. Speaker, as I recall, I gave a detailed report on this some months ago in the House. There have been thefts both overseas and at various locations in Canada but nothing near the amount that would appear to be indicated in this news story.

Mr. Thomas M. Bell (Saint John-Lancaster): A supplementary, Mr. Speaker. When the minister referred to the period 1951-53 and the responsibility at that time, can he say who the stupid Deputy Minister of National Defence was at that time who was responsible for this mess?

Mr. Speaker: Order, please. The hon. member for Winnipeg North.

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LABOUR CONDITIONS

COMMITMENT TO PROVIDE WORK AT FORMER AIR CANADA WINNIPEG OVERHAUL BASE

Mr. David Orlikow (Winnipeg North): May I direct a question to the Prime Minister in the absence of the Minister of Supply and Services. Has he received a telegram from representatives of the machinists in Winnipeg

pointing out that the commitment made by the government that Air Canada and Canadian Aviation Electric would provide enough work at the old Air Canada overhaul base so that employment would be maintained has not been honoured and that there is large-scale unemployment? Does the Prime Minister propose to do anything about the failure of the government to meet its commitment?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, I cannot recall whether I received such a telegram but I do know that the matter is being discussed within the government and that the Minister of Supply and Services is looking at it very actively.

Mr. Orlikow: The Minister of Supply and Services has been looking at it for some time. He may have lots of time but the unemployed workers who now number—

Mr. Speaker: Order, please. The hon. member for Cape Breton-The Sydneys.

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CAPE BRETON DEVELOPMENT CORPORATION

INQUIRY AS TO APPOINTMENT OF NEW CHAIRMAN AND VICE-PRESIDENT OF INDUSTRIAL DEVELOPMENT BRANCH

Mr. Robert Muir (Cape Breton-The Sydneys): My question is directed to the hardworking Minister of Regional Economic Expansion. May I ask the minister whether he is yet in a position to advise or suggest when the positions of chairman of the board of the Cape Breton Development Corporation and vice-president of industrial development may be filled?

Hon. Jean Marchand (Minister of Regional Economic Expansion): I hope it will be soon, Mr. Speaker.

Mr. Muir: A supplementary question. The minister's reply indicates the callousness he has for the unemployed in Cape Breton also. Is the minister giving consideration or is any consideration being given to having Mr. Tom Kent, his deputy minister, become the senior officer of the Cape Breton Development Corporation?

Mr. McGrath: Silence is consent.

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GRAIN

WHEAT—FINAL PAYMENT FOR 1969-70 CROP YEAR

Mr. S. J. Korchinski (Mackenzie): I should like to address my question to the minister responsible for the Wheat Board. Is the fact that Bill C-244 has not been passed by the House one of the reasons why the final payment on wheat for the 1969-70 crop year has not been made?

Hon. Otto E. Lang (Minister of Manpower and Immigration): No, Mr. Speaker.

[*Translation*]

FINANCE

QUEBEC—ALLEGED LOSS OF FEDERAL GRANTS FOR EDUCATION

Mr. Roch La Salle (Joliette): Mr. Speaker, I wish to ask a question to the right hon. Prime Minister.

During the last weekend, the Quebec Minister of Education stated that his province had lost $300 million in federal grants at the post-graduate level under the fiscal arrangements legislation. May I ask the Prime Minister whether he knows of this statement and whether he intends to establish a policy to enable the province of Quebec to recover this amount of $300 million?

Right Hon. P. E. Trudeau (Prime Minister): I am totally unaware of this statement, Mr. Speaker. I am taking the question as notice and shall inquire as to what the situation is.

* * *

[*English*]

EXTERNAL AFFAIRS

EAST PAKISTAN—REPRESENTATIONS BY PRIME MINISTER TO SOVIET UNION RESPECTING AID AND ACHIEVEMENT OF PEACE

Mr. R. N. Thompson (Red Deer): Mr. Speaker, my question is for the Prime Minister. During his Russian visit did the Prime Minister at any time raise the question of Russia's participation in providing aid and in seeking peace for the people of East Pakistan? If so, can the Prime Minister state what position was expressed by the Russian government?

Right Hon. P. E. Trudeau (Prime Minister): No, Mr. Speaker.

Mr. Thompson: Is it the position of the government that the present military government of Pakistan is the legitimate government of East Pakistan?

Mr. Speaker: Order, please. It seems to me that the question as asked is an invitation to express an opinion or to make a statement of policy. I appreciate that it is a little difficult to draw the line. On reflection, it would seem that the question asked by the hon. member is acceptable.

Mr. Trudeau: Mr. Speaker, we recognize no other government than the government of Pakistan.

Mr. Thompson: Will the Canadian government consider accepting the refugees from East Pakistan as political refugees?

Mr. Trudeau: The question has not been considered, Mr. Speaker.

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MANPOWER AND IMMIGRATION

INSTRUCTION TO EMPLOYEES IN KITCHENER-WATERLOO AREA TO ANSWER TELEPHONE IN FRENCH AND ENGLISH

Mr. Max Saltsman (Waterloo): My question is for the Minister of Manpower and Immigration. Have instruc-

tions been issued by his department to manpower and immigration officials in the Kitchener-Waterloo area stating that pursuant to the Official Languages Act employees must answer the telephone in French and English and if the caller starts to speak French the employee will interrupt—

Mr. Speaker: Order, please. It seems to me that this question might well be placed on the order paper and that it is not the kind of question that should be asked at this time. If there is urgency, it can always be considered at the time of adjournment.

Mr. Saltsman: There is some urgency to this question as instructions have been issued and there is a danger of the instructions being misunderstood. If I might be permitted to conclude my question, the employee will interrupt and point out that the people in that office do not speak French and ask the caller to repeat the question in English.

[*Later:*]

Mr. Speaker, I believe the minister was rising to answer my question regarding whether instructions similar to what I outlined had been issued to manpower and immigration officials in the Kitchener-Waterloo area.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, there were really two parts to the hon. member's question. The attempt in manpower offices generally is to make available services in the official languages as may be required. While we certainly are not performing perfectly in that regard—

Mr. Speaker: Order, please. I have allowed the minister to reply to the question, but I still believe it is the kind of question that ought to be placed on the order paper. If there is urgency, there is provision in the Standing Orders to have the matter considered later in the day.

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CRIMINAL CODE

MEDICAL ASSOCIATION RECOMMENDATION FOR REMOVAL OF POSSESSION OF MARIJUANA AS AN OFFENCE— INQUIRY AS TO LEGISLATION

Mr. P. B. Rynard (Simcoe North): I would like to direct my question to the Minister of Justice. In light of the call by the Canadian Medical Association at their recent meeting for legislation to remove the possession of marijuana as an offence under the Criminal Code and to do away with jail sentences and long criminal records for such people, can the minister inform the House whether he intends to introduce legislation in this area, and when?

Hon. John N. Turner (Minister of Justice): The government will want to study the text of these resolutions and we are, of course, still awaiting the final report of the LeDain commission.

[Mr. Saltsman.]

EXTERNAL AFFAIRS

REMOVAL OF FLAG OF NATIONALIST CHINA FROM PAVILION AT BRITISH COLUMBIA TRADE FAIR

Mr. A. D. Alkenbrack (Frontenac-Lennox and Addington): My question is for the Prime Minister. It is in relation to his apparent communist sensitivities and bias as applied to the removal of the flag of Nationalist China from their pavilion at the British Columbia trade fair. In the interests of developing much needed trade and—

Mr. Speaker: Order, please. That is not a question. The hon. member is making a speech. The hon. member should ask the question and I will indicate whether I believe it is the kind of question that ought to be asked now.

Mr. Alkenbrack: I was just stating the reason for the question.

Mr. Speaker: That is the point. The hon. member should not state the reason for the question. I appreciate that it is difficult to ask a question without laying down some sort of basis for it, but hon. members should not go too far in that respect.

Mr. Alkenbrack: Will the Prime Minister instruct that the Nationalist Chinese flag be allowed to fly at this fair in the interests of common international courtesy?

Right Hon. P. E. Trudeau (Prime Minister): It is not really a question of courtesy, Mr. Speaker. We recognize only one China. It would be inappropriate for another government of China that we do not recognize to fly its flag under the guise of being the government of China.

Mr. Alkenbrack: A supplementary question. I ask the Prime Minister whether those conditions apply even where they pay rent?

* * *

IMMIGRATION

REASONS FOR DECLINE

Mr. Steven E. Paproski (Edmonton Centre): My question is for the Minister of Manpower and Immigration. Will the minister please indicate to the House why there has been a sharp decline in the immigration figures released yesterday?

Mr. Speaker: Order, please. I will allow the minister to reply briefly, but the question as asked certainly invites the minister to make a statement which normally ought to be made on motions. The minister will be allowed to reply briefly to the hon. member's question.

Hon. Otto E. Lang (Minister of Manpower and Immigration): The figures reflect the immigration situation in the first few months, which are certainly down. Some time previous I speculated on the combination of the point system operating in this fashion together with economic conditions in some of the source areas.

CIGARETTE PRODUCTS ACT

REQUEST FOR EXPLANATORY STATEMENT ON BILL

Mr. William Knowles (Norfolk-Haldimand): My question is for the Minister of National Health and Welfare. Will the minister reconsider and make a brief explanatory statement on the introduction for first reading of his bill with regard to cigarette advertising? With the unanimous consent of the House, perhaps we could revert to motions for that purpose.

Mr. Speaker: Is there unanimous consent to revert to motions?

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimous consent.

An hon. Member: Who said no?

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HOUSING

STUDY OF NEEDS OF NATIVE PEOPLE

Mr. John Gilbert (Broadview): My question is directed to the minister in charge of housing. Is the minister's department or Central Mortgage and Housing Corporation making a study or survey of the housing needs of the native people of Canada?

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, as I think I already indicated in committee or in the House, there are studies of this nature going on, particularly with regard to the Indian and Métis people in the western provinces.

Mr. Gilbert: Is a firm operated by Bill Lee and Bill Neville, known as Executive Consultants Limited, making a survey on behalf of CMHC?

Mr. Speaker: That question ought to be placed on the order paper.

* * *

THE CENSUS

ALLEGED REQUIREMENT THAT LONG QUESTIONNAIRE BE COMPLETED BY ALL HOUSEHOLDERS IN CERTAIN COMMUNITIES

Mr. Robert Simpson (Churchill): I have a question for the Minister of Industry, Trade and Commerce. In his absence I will direct it to the Prime Minister. Is the Prime Minister aware that in many communities in Canada all householders are being required to complete the long census form and are obligated to have the canvassers fill in these questionaires despite the fact that all the advertising indicated this would be a do-it yourself census?

Right Hon. P. E. Trudeau (Prime Minister): The hon. member asked me whether I was aware. The answer is no, Mr. Speaker.

Inquiries of the Ministry

Mr. Simpson: Will the Prime Minister make an inquiry into the publicity and advertising which has been issued by the Dominion Bureau of Statistics to every householder, which he will find is very misleading and in many cases false?

Mr. Trudeau: I will gladly draw the attention of the Minister of Industry, Trade and Commerce to that suggestion.

* * *

HOUSING

HAMILTON—PROVISION OF FUNDS FOR YORK STREET URBAN RENEWAL PROJECT

Mr. Lincoln M. Alexander (Hamilton West): I should like to direct a question to the Prime Minister. In light of the fact that he visited the city of Hamilton in order to help celebrate its 125th anniversary—

Some hon. Members: Hear, hear!

Mr. Alexander: —and as I understand that some 4,000 children were eager to see him—

An hon. Member: Seven thousand.

Mr. Alexander: Would the Prime Minister, in order to give the people of Hamilton a birthday present, look with great sympathy and understanding upon a request to be made shortly by a delegation which will be coming from Hamilton with respect to the urban renewal problems of that city? In keeping with the atmosphere yesterday, perhaps the Prime Minister might feel himself in a position to give the city a birthday present by allowing it more funds in order to complete the York Street urban renewal project.

Mr. Speaker: The hon. member for Surrey-White Rock.

Mr. Alexander: On a point of order, Mr. Speaker, with all due respect I think the Prime Minister understands the importance of the question, and I noticed he gave every indication of rising.

Mr. Speaker: Order, please. We were not looking at the same Prime Minister.

Some hon. Members: Oh, oh!

An hon. Member: Will the real Prime Minister please stand up?

* * *

CIGARETTE PRODUCTS ACT

INQUIRY AS TO TIME OF CONSIDERATION OF BILL

Mr. Barry Mather (Surrey-White Rock): I have a question for the government House leader. Having in mind the introduction this morning by the Minister of National Health and Welfare of an excellent bill which would prohibit cigarette advertising, when may we expect to consider this legislation in the House?

Hon. John C. Munro (Minister of National Health and Welfare): Hopefully it will go to a committee during this session.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. MacLean: I would ask the leader of the House if he has any announcement to make regarding the business of the House.

Mr. MacEachen: We will begin today by considering the bill to amend the Prairie Grain Advance Payments Act, followed by the amendments to the Unemployment Insurance Act. After that we shall take the Canada Labour (Standards) Code, the pilotage bill and the Judges Act.

I should mention that there will be two opposition days next week to complete our round of opposition days for this part of the session, and I propose we should choose Tuesday and Wednesday for this purpose. However, I shall be happy to discuss that item and others with my colleagues later.

Mr. Korchinski: On a point of clarification, Mr. Speaker, may I ask whether it will be necessary to dispose of Bill C-239 before the other items are considered, or are we to proceed with it only until one o'clock as announced yesterday?

Mr. MacEachen: My hope is that we could complete the bill to which the hon. member has referred by one o'clock, or shortly thereafter. We would then go on to the unemployment insurance legislation. But I will review the situation at one o'clock and see what progress has been made.

GOVERNMENT ORDERS

PRAIRIE GRAIN ADVANCE PAYMENTS ACT

AMENDMENTS RESPECTING RATE PER BUSHEL, EMERGENCY PAYMENTS, EXTENSION OF APPLICATION TO RYE, FLAXSEED AND RAPESEED

The House resumed, from Wednesday, June 9, consideration of Bill C-239, to amend the Prairie Grain Advance Payments Act, as reported (with amendments) from the Standing Committee on Agriculture.

Mr. Speaker: When the House rose last evening it was considering motions Nos. 2, 3, 4 and 5 in the name of the hon. member for Mackenzie. The hon. member for Mackenzie had the floor.

Mr. S. J. Korchinski (Mackenzie): Mr. Speaker, last night toward the end of my remarks I was commenting on the fact that the committee had been studying suggestions made by various farm organizations with regard to the bill now under consideration. I pointed out that these submissions were carefully considered by all committee members. I also volunteered the information that some of us in the opposition understood the submissions which were being made. It seems to me, however, that the government or the executive branch of the government—

the minister, if he is to be singled out—has been frustrated either from within or without.

First of all, the minister has to respond to advice by civil servants that certain amendments are necessary for administrative purposes. I maintain that far too much consideration is given to making things comfortable for the administration and far too little for the people who are affected by the legislation we pass. Only second or third grade consideration is given to their convenience. This comment applies not only to the present bill but to every piece of legislation with which I am familiar. I do not say it happens 100 per cent of the time but it happens for far too much of the time, if I can speak from my own experience in this House. Too many things are done to make it easier for those in administrative positions who begin their work at eight o'clock and leave at five; during the summer, during the hot weather, they leave their offices at four o'clock because of the lack of air conditioning and the inconvenience of rush hour traffic. If you talk to a farmer along those lines, he will say: Hot days are best for killing wheat. Provided the tractor does not heat up he is out there working. In this case, only one side of the question is being considered. The government is in a hurry to get its money. It is determined to get it, and the devil take the consequences.

The attitude of the government has to change in favour of people. If we are to serve the people effectively and look after their requirements, the committee system must function more effectively than it is at present. There were great hopes for the new committee system when it was created by the Prime Minister (Mr. Trudeau). To some extent we went into it with enthusiasm regardless of the fact that it overloaded hon. members in many cases and regardless of the fact that certain work was being done in other committees to which we would have liked to dedicate ourselves. In terms of committee membership, we tried to concentrate on people who were particularly interested in the subject matter, people who were better informed, if you wish. Being more informed, I was willing to suggest that the government supporters should vote at that particular stage for two amendments I had presented and they accepted one. I thought that the consideration given by the committee would be far more valid than any consideration the House might have given, that is to say, if the committee system is to have any value at all. It was the Liberal whip who appointed government members to the committee and the committee was comprised of members who know something about the subject. The committee decided that in the interests of improving the legislation that this particular amendment should be accepted.

• (12:10 p.m.)

Reversing such a decision made by the committee is an indication that the government has no confidence in its own members on the committee. In view of the flippant attitude taken to the committee I suggest that perhaps the whole system of committees should be disbanded and that we should forget about committees studying legislation. The only thing left to the government is to take authority unto itself by executive order and to state that

since legislation is presented by civil servants the government feels it is adequate as such and about any representations that might be made thereon are irrelevant, that people who know something about the subject need not be heard, that any amendments that might be made would be useless, that any opposition in this House of Commons is unwarranted, that any member who dares speak in opposition to the government is wasting his time, and that it is unnecessary to have any elections.

This goes to the heart of what I suspect, and have suspected for some time, we have as a government in this country. This government has gone farther than any of us dared think in its haste to outrun the NDP and their philosophy and the communist philosophy. I do not know whether they are more scared of the NDP than they are of themselves. Let the government listen to some of the criticism that comes from within, because it is more valid now than ever before.

It is becoming more and more difficult to preserve democratic institutions in the western world than ever before simply because pressures against them are mounting. If the committee system has now been changed to the point where its considerations do mean something, then let some of the amendments moved in committee be accepted. Let them not be rejected on the basis that they were moved by members who do not support the government. I have been a member of the House for 13 years and have sat on various committees, interesting myself in many of them. But I feel we have now reached the point where the minister tells his own supporters what amendments to accept and what not to accept. In turn the minister gets his directions from the man sitting beside him, either the deputy minister or the assistant deputy minister.

This is not democracy, Mr. Speaker. What we are now witnessing is an attempt to reverse a decision made by elected Members of Parliament which, if successful, will be a slap in the face for all Canadians and for democracy. If the government values democracy at all, then let it reject the present committee system or else accept amendments made in committee. Simply to say that the fact that my amendment is moved by a member of the opposition makes it invalid is no argument at all. To say the least, I feel very frustrated, as dedicated as I may be to any particular bill under study. Many members of the House on both sides are dedicated, and they too find they are being frustrated because they are given instructions from above.

These members are highly regarded in their communities and many of them were elected to this House because they were experienced men. They are now being told by the minister or by a civil servant that they know nothing about the matters they are considering. I would suggest to the minister that regardless of what value a man places upon himself no man is so all-knowing that the combined opinions of people knowledgeable about a certain matter are of no consequence. For example, industrial conditions are constantly changing, and so that we can change at the same time we have to make amendments. You cannot view the subject from one side alone.

The other day the committee accepted very readily an amendment that I moved. In the afternoon I moved another amendment that I suggest was identical to the previous one. But somewhere along the line the members of the Liberal caucus must have held a conference and said to themselves: "Look, we cannot accept too many amendments from the opposition; otherwise it will be an opposition bill and we cannot have that. We must not give the opposition any more credit than we dare, so we must throw the other amendments out." As a result, my amendment was defeated.

What recourse do I have, Mr. Speaker? All I can do is bring the matter to the House and record it for posterity in the hope that those who read my speech or listen to my words will understand the futility of the whole system. This government, which wants to promote itself and itself alone, is dedicated to only one thing. The government thinks it can get more co-operation from its civil servants by following their line. I suggest that in the interests of building a better country the government had better listen to opposition members. I do not expect, and neither does any other member of the House, opposition amendments to be accepted 100 per cent, but the proposition that an opposition amendment must be rejected because the ideas of the mover are all wrong is absolutely unacceptable today. We do represent an area. As a matter of fact the opposition members in the Conservative party represent a far larger rural area than members of the Liberal party ever did. To suggest at this time that the government has absolute knowledge of the requirements is wrong. It follows logically that somewhere along the line it must listen to somebody.

• (12:20 p.m.)

Mr. Deputy Speaker: Order, please. I regret to interrupt the hon. member but I must do so to advise that his time has expired.

Mr. J. H. Horner (Crowfoot): Mr. Speaker, I should like to say a few words in respect of the amendments put forward by the hon. member for Mackenzie (Mr. Korchinski) regarding Bill C-239. The four amendments deal at length with the principles to be followed by applicants or farmers taking out cash advances, how they must repay and whether or not an interest charge will be levied against the advance.

It is interesting to note what the minister had to say in reference to the third amendment proposed by the hon. member for Mackenzie. This is to be found at page 61 of committee proceedings No. 53. He said:

> If a man has this money, is not delivering grain, and then is found to be in default, he should pay interest on the whole period that he had the use of the money, because that is in effect converting it to what he did, which is using it as a loan instead of an advance. And I urge this very strongly upon you.

That is what the minister stated and it is perfectly clear what he is trying to do is narrow the scope of cash advance legislation in order to save the government as much money as possible. We heard in the committee that cash advance legislation, being interest free, in essence cost the federal government in the neighbourhood of $3

million. It is quite clear that the main object of this bill is to narrow cash advance legislation and apply interest on part of the advance. The amount of cash advances the government will provide interest free will be reduced. This is the whole theme of this legislation and it fits a pattern this government is following right along in respect of agricultural legislation.

The government has withdrawn all the financial assistance it can withdraw effectively. The Minister of Agriculture (Mr. Olson) has reduced bonuses for hogs, for land and for wool. He has repeatedly made reductions. The present minister in charge of the Canadian Wheat Board, and I say that because the way the Saskatchewan election is going he may not be in charge very long, has given some indication in Bill C-244, the grain stabilization program, that he intends to withdraw money the government committed itself to in the past. Apparently it will not make this commitment in the future. It is regrettable that all this legislation should be concentrated toward this one objective or goal.

The hon. member's amendments are very pertinent because on many occasions a farmer will take out a cash advance on grain he has on hand for delivery. Let us take last winter or the present time as an example. The price of barley selling at the Lakehead is in the neighbourhood of $1.17. For some reason there is a 12 cent charge per bushel on grain from the Crowfoot area delivered at the Lakehead. That brings the price down to $1.05 per bushel. Again for some unknown reason, when the farmer delivers his grain he receives between 71 and 73 cents per bushel. The farmers wonder what happens to this other 30 cents. Will they receive it in their final payments or is it absorbed by storage costs? Where does it go?

A farmer might want a cash advance on his barley. He is faced with a difficult decision. He must ask himself whether to deliver it to the elevator and accept 72 cents per bushel or sell it to a feed mill or feed lot down the road at 80 cents per bushel in cash. Suppose the farmer takes a cash advance on his grain in storage under this legislation and sells it to the elevator. After doing so the price on the market at the feed mill or feed lot goes up over 80 cents per bushel, much more than he would receive by delivering it to the elevator, and he sells it to the feed lot. He might fully have intended when he took out the cash advance to repay it with the barley. He has a difficult decision whether to sell to the feed lot and pay interest on his cash advance from the time he received it, or deliver it to the elevator.

Even the interest rate he will have to pay is not spelled out. The minister said that the rate would be announced at the beginning of every crop year. I suppose that is better than nothing. In most cases cash advances will be taken out in the fall of the previous year, so the farmer would be taking the advance without knowing the exact interest rate he might have to pay. The minister shakes his head in a negative fashion; he can correct me if I am wrong, but that is the meaning of his remarks as I understood them.

[Mr. Horner.]

To date many cash advances have been taken out and repaid with cash. I forget the exact figure but I think the minister stated that something like 15,000 or 16,000 advances were repaid partially in cash. The minister has stated that if the cash portion amounts to more than $500 the farmer will have to pay interest on the total cash advance. If it is less than $500 no action will be taken and he will not have to pay interest.

In any case the amendment moved by the hon. member for Mackenzie clearly states that the interest on a cash advance taken out on grain should apply only to that grain, and there should be no retroactive action by the government which would in fact penalize the farmer because he made a shrewd decision to sell the grain to another commercial outlet at a higher rate.

I can see a great deal of merit in the four amendments now before the House and for that reason I commend them to hon. members.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, I should like to reply in part to the point raised by the hon. member for Crowfoot (Mr. Horner). The interest rate for a crop year will be set prior to the crop year and any default which occurs in connection with an advance, no matter how much later it occurs, will be related to the interest rate for that crop year. So the farmer taking an advance will know his position exactly.

The first amendment of this group really follows a decision taken earlier in the House in favour of an amendment which stood in my name. Amendment No. 3 is difficult in that it would be technically impossible in terms of no interest being payable at all even if no delivery at all was made, because there would be no point or date from which the interest rate could be set.

• (12:30 p.m.)

The point in this—and this applies as well as to amendment No. 5—is that these interest rates are payable only in relation to loans which are in default; that is to say, where the person has undertaken to deliver grain when quotas are available and has failed in that undertaking, has had notice from the board to do so and has still failed in the undertaking. It is only then that interest is payable and it seems perfectly reasonable that it should date from the time of the loan and not from any particular later time.

The technical difficulties with amendment No. 3 include the fact that a person who attempts to misuse the system could avoid an interest payment simply by delivering a single bushel of grain. The technical wording would absolve him from the interest claim. It is important to keep the system of cash advances working well. It is respected; it is well received. Abuses where persons take a loan and never intend to keep their undertaking only bring the program into disrepute. The very great majority of farmers use the system well. They use it when they need the money. They do not even take an advance if they can avoid it. For them we should try to keep the system working as well as possible. This is the point of the original form of the bill.

Mr. Thomson: Mr. Speaker, would the minister also make a comment in respect of motion No. 4, please.

Mr. Lang: Mr. Speaker, the point of motion No. 4 was really covered in the committee by debate and suggestions which led to an amendment to the bill in committee which is a far better one. That is the amendment which allowed the repayment of up to $500 in cash without any interest being accrued. This one is simply another form of making a cash payment. It would be very difficult indeed to follow it through in any accurate way in the system. It would create some difficulties. This is why the other amendment was moved and accepted in the committee. Not only was that amendment accepted but another one which is next before the House was agreed upon in general even though we had to come back for a recommendation in order to bring it forward.

Mr. Deputy Speaker: Is the House ready for the question on motion No. 2?

Some hon. Members: Question.

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

Some hon. Members: On division.

Mr. Deputy Speaker: All those in favour of the said motion please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some hon. Members: Nay

Mr. Deputy Speaker: In my opinion the nays have it.

An hon. Member: On division.

Mr. Deputy Speaker: The motion is negatived on division

Motion No. 2 (Mr. Korchinski) negatived.

Mr. Deputy Speaker: In accordance with an earlier order the result of that vote disposes of motions Nos. 2, 3, 4 and 5.

Motion No. 6 standing in the name of the minister in charge of the Wheat Board is now to be considered. The Chair did indicate in respect of motions Nos. 6 and 7 that there were procedural problems at least in the opinion of the Chair. It was also indicated that when these motions were called the Chair would be very pleased if hon. members would assist in respect of their procedural acceptability.

Mr. Lang: Mr. Speaker, I indicated earlier when there was some discussion about which motions we should proceed with that we would seek to introduce this amendment as a result of discussion in the committee about the problem dealt with here. In respect of the point that the amendment goes beyond the scope of the amendments I do not think I could argue that point. I therefore wish to seek unanimous consent of the House to proceed with the amendment which could then be discussed on its merits. I would therefore ask if hon. members might give that consent so that we might proceed to consider the amendment.

Mr. Horner: Mr. Speaker, I agree with your Honour's view that amendment No. 6 is really an amendment to the act and not an amendment to the bill. I am quite sympathetic with the problem but I cannot see how we could proceed in an orderly fashion in the House if by unanimous consent we were to allow ourselves to link together two things which mechanically would not be proper.

If as Your Honour stated at an earlier time this is an amendment to the act and not to the bill we are considering, then I believe this is regrettable, but I believe the minister or the people in the legal department might have foreseen this and have drafted a better amendment which in essence would be an amendment to the bill. For this reason I believe it is regrettable that I am placed in the difficult position of being asked to grant unanimous consent to something which is technically wrong. Therefore I cannot bring myself to give unanimous consent and I urge the Chair to rule concerning whether or not the motion is in order. If it is in order, then we can proceed with it. If it is not in order, I believe it would be wrong to ask the House to turn a blind eye to it. I just could not do that.

Mr. Deputy Speaker: If there are no further comments from hon. members in respect of motion No. 6, the Chair has before it the question of the acceptability of the motion. I indicated on Monday or Tuesday when this matter was last before the House that there was a problem which I need not elaborate on at this time. The minister in charge of the Wheat Board has indicated that he would not want to argue that it is in fact in order and therefore I would have to rule that motion No. 6 is out of order.

The Chair must now consider motion No. 7. At the same time that I remarked on motion No. 6 I indicated there was some concern in my mind about motion No. 7. I would be pleased to hear hon. members on this point. I might indicate there are two problems here in repsect of motion No. 7. Motion No. 6 has been ruled out and I believe No. 7 in essence, although this is not perfectly clear, should follow motion No. 6. In any event, even if that should not be the case I would have to rule that motion No. 7 involves a charge against the treasury.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, we had hoped that somewhere between motion No. 6 and motion No. 7 an accommodation would be found. However, in view of the fact that you have ruled motion No. 6 out of order I guess we will have to lick our wounds and accept the same ruling for motion No. 7.

Mr. Deputy Speaker: That concludes the motions on this bill which are before the House. The House will now revert to the deferred divisions on the motions in the order set out by the special order of the House. Call in the members.

Division

• (12:40 p.m.)

The House divided on motion No. 9 (Mr. Horner) which was negatived on the following division:

• (12:50 p.m.)

YEAS

Messrs:

Alexander
Alkenbrack
Asselin
Barnett
Bell
Brewin
Coates
Comeau
Crouse
Dinsdale
Douglas
Forrestall
Gilbert
Hales
Harding
Harkness
Hees
Horner
Knowles (Winnipeg North Centre)
Knowles (Norfolk-Haldimand)
Korchinski
Laprise
Lewis
MacDonald (Egmont)
MacInnis (Mrs.)
MacLean
McCleave
McCutcheon
McGrath
McQuaid
Mather
Monteith
Moore
Muir
Murta
Nesbitt
Nielsen
Orlikow
Paproski
Peddle
Peters
Ritchie
Rodrigue
Ryan
Rynard
Saltsman
Schumacher
Simpson
Southam
Thomas (Moncton)
Thompson (Red Deer)
Thomson (Battleford-Kindersley)
Woolliams
Yewchuk—54.

NAYS

Messrs:

Andras
Badanai
Barrett
Béchard
Beer
Blair
Blouin
Borrie
Boulanger
Breau
Buchanan
Caccia
Chrétien
Cobbe
Corriveau
Côté (Longueuil)
Cullen
Cyr
Deachman
Deakon
Drury
Dubé
Dupras
Duquet
Éthier
Faulkner
Forest
Forget
Francis
Gendron
Gibson
Gillespie
Goode
Goyer
Guay (St. Boniface)
Guay (Lévis)
Guilbault
Haidasz
Hogarth
Hopkins
Hymmen
Isabelle
Jerome
Laflamme
Lang (Saskatoon-Humboldt)
Langlois
Laniel
La Salle
LeBlanc (Rimouski)
Lefebvre
Lessard (LaSalle)
Lessard (Lac-Saint-Jean)
Macdonald (Rosedale)
MacEachen
Mackasey
McIlraith
McNulty
Mahoney
Marchand (Langelier)
Munro
Murphy
Noël
O'Connell
Olson
Otto
Penner
Perrault
Richardson
Roberts
Rock
Smerchanski
Smith (Northumberland-Miramichi)
Smith (Saint-Jean)
Stafford
St. Pierre
Sulatycky
Thomas (Maisonneuve-Rosemont)
Tolmie
Trudeau
Trudel
Turner (London East)
Turner (Ottawa-Carleton)
Walker
Whiting
Yanakis—85.

Mr. Speaker: I declare the motion negatived.

Hon. Otto E. Lang (Minister of Manpower and Immigration) moved that Bill C-239, to amend the Prairie Grain Advance Payments Act, as reported (with amendments) from the Standing Committee on Agriculture, be concurred in.

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

Some hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: When shall the said bill be read the third time, now?

Some hon. Members: Next sitting.

Mr. Speaker: It being one o'clock I do now leave the chair.

AFTER RECESS

The House resumed at 2 p.m.

UNEMPLOYMENT INSURANCE ACT, 1971

PROVISIONS RESPECTING INSURABLE EMPLOYMENT, COMMISSION BENEFITS, PREMIUMS, ADMINISTRATION, ETC.

The House proceeded to the consideration of Bill C-229, respecting unemployment insurance in Canada, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Deputy Speaker: Order, please. Under the relevant Standing Order, it might be appropriate if the Chair were to suggest a grouping of the motions which are now before the House. Of course, these are only suggestions. I know that hon. members will not hesitate to advise the Chair if they have other suggestions. It is suggested that motions Nos. 1 and 2 should be combined for debate, but voted upon separately. Motion No. 3 is to be considered and disposed of separately. Motions Nos. 4, 5, 7 and 8 should be grouped for debate. A decision on motion No. 4 also will dispose of motions Nos. 5, 7 and 8.

Motions Nos. 6 and 21 should be combined for debate, and a vote on motion No. 6 also will dispose of motion No. 21. Motions Nos. 9, 10 and 11 should be considered and disposed of separately. Motions Nos. 12 and 13 should be grouped for the purpose of debate and a vote on motion No. 12 also will dispose of motion No. 13.

Motions Nos. 14 and 15 to be considered and disposed of separately. Motions Nos. 16 and 17 to be grouped for purposes of debate and a vote on motion No. 16 also will dispose of motion No. 17. Motions Nos. 18 and 19 to be grouped for purposes of debate and a vote on motion No. 18 also will dispose of motion No. 19. Motion No. 20 to be considered and disposed of separately. If hon. members are in general agreement with that—the hon. member for Winnipeg North Centre (Mr. Knowles).

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, may I say on behalf of the members of this party that we believe this is a fair proposal Your Honour has made with regard to these motions. We are prepared to accept the groupings you have suggested. Naturally, we would have preferred a vote on motion No. 5 covering motions 4, 5, 7 and 8, but the hon. member for Hamilton West (Mr. Alexander) got his motion on ahead of us so we shall accept a vote on No. 4, hoping, of course, that it will be favourable.

• (2:10 p.m.)

Mr. Alexander: Speaking on behalf of the Official Opposition, may I say we appreciate the simplicity Your Honour has brought to the proceedings in terms of considering how best this matter can be expedited. I will only add that there are certain agreements which might perhaps affect the schedule you have proposed, particularly in respect to motions No. 1 and 2. I believe something will be said on that aspect by one of my hon. friends which will clarify the situation. But in any event, this is an excellent way of dealing with a complicated subject.

Mr. Deputy Speaker: Is there general agreement to this arrangement, subject to such other agreements as may be made? If so, we shall proceed on that basis.

Some hon. Members: Agreed.

Mr. Deputy Speaker: Perhaps I could make one further observation. Hon. members will notice that if all the groupings are decided on division there will be a total of ten divisions. Notwithstanding the brilliance and the alacrity of our Clerk Assistant—

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: —it seems to the Chair we might be overloading him. I suggest, therefore, possibly about half way through this part of the proceedings hon. members might look at the number of deferred divisions, and if they feel the number might be unduly onerous for the Clerk Assistant who calls the names, maybe we could group the various divisions further about half way through.

Mr. Knowles (Winnipeg North Centre): We would agree to that. The whole process, of course, would be simplified if the government were to accept a number of these amendments.

Mr. Deputy Speaker: I will now put motions Nos. 1 and 2.

Unemployment Insurance Act, 1971

The hon. Member for Moncton (Mr. Thomas) moves:

That Bill C-229, An Act respecting unemployment insurance in Canada, be amended by deleting paragraph (d) of subclause (2) of clause 3, lines 29 and 30 at page 4, and by relettering subsequent paragraphs accordingly.

The hon. Member for Hamilton West (Mr. Alexander) (for Mr. Downey) moves:

That Bill C-229, An Act respecting unemployment insurance in Canada, be amended by adding the words "or under any municipal authority" in paragraph (e) of subclause (2) of Clause 3 immediately after the word "province" in line 32 at page 4.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, the present unemployment insurance act defines as one category of excepted employment, employment where the person employed is the husband or the wife of the employer. I have no quarrel with that, but I feel that the provision in Bill C-229 which extends this provision further, making it apply to relatives or dependants of the employer is too broad and could lead to the exclusion of many people from insurable employment. I have therefore proposed an amendment which would, in effect, extend insurable employment to relatives or dependants of an employer. Since I put down my amendment, I have had some discussion with the minister's staff and I believe there is agreement on the part of the minister to accept a compromise. In other words, he would agree to take out the word "relative" but leave the word "dependant" in. That is to say, we would extend coverage to relatives but not to dependants. Because I believe there is general agreement about this, I would seek unanimous consent to change my motion so that instead of deleting the whole clause as originally proposed it would seek only the deletion of the words "relative or". So the clause would read "—employment where the employee is a dependant of the employer."

Hon. Bryce Mackasey (Minister of Labour): I agree. I think such an amendment improves the clause. It does not make it quite as stringent and it has the effect which the hon. member has pursued with so much diligence during the committee stage.

Mr. Deputy Speaker: Hon. members have heard the suggestion by the hon. member for Moncton (Mr. Thomas) and the minister's comments. Shall motion No. 1 be amended in the terms set out by the hon. member for Moncton?

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Deputy Speaker: It is so ordered. Shall the motion be adopted as amended?

Mr. Knowles (Winnipeg North Centre): Carried.

Motion No. 1 (Mr. Thomas), as amended, agreed to.

Mr. Deputy Speaker: We will now proceed to debate motion No. 2 which I have already put to the House.

Mr. Lincoln M. Alexander (Hamilton West): This motion, Mr. Speaker, is in the name of the hon. member for Battle River (Mr. Downey). As clause 3 presently stands, excepted employment is, in terms of subclause (e)

thereof, employment in Canada under Her Majesty in right of the province. This means, in effect, that the province would be in a position to opt out of a scheme presented by the government. Mr. Speaker, the municipalities are extremely concerned about the extra cost they would be bound to incur if measures were taken to include them in this plan. This point has been emphasized more than once by the municipalities who may be affected; as a matter of fact, it has been taken up by the Federation of Mayors and Municipalities. They say that a choice of whether to be involved or not has been offered to one level of government. Now, let me read from the brief which the federation drew up under date of May 12.

> We request that local authorities be given the same option as provincial authorities are given to cover either all or none of their employees.

The municipalities argue strongly that their resources are already extremely strained as a result of fiscal and monetary policies, yet they are faced with extra costs consequent upon the inclusion under the terms of this clause of firemen, policemen and, in particular, of school-teachers—some 250,000 of them. This would mean that the cities would incur an extra cost burden, one which is really related to an increased burden on the taxpayer. Moneys for government purposes, regardless of level, come from the same person. The hon. member for Battle River is seeking to impress upon the government that if this provision is enacted the taxpayer, who is already burdened by heavy taxation for municipal services, will be forced to pay additional taxes consequent upon the inclusion of employees of municipalities in the insurance scheme. You can never calculate the amount, but I do not think anyone would deny that there is an onerous responsibility on any individual now who is faced by taxation from all levels, in all ways and by all means.

• (2:20 p.m.)

The brief goes on to say that, in view of the present unco-ordinated state of tax and spending policies, the very least that each level of government deserves is some measure of choice in deciding on programs and policies within its jurisdiction. I think the minister will reply to the suggestion I have been making because he is concerned about universality. But many municipalities have very extensive coverage of their employees, and in one or two provinces school teachers are direct employees of the province. This creates an anomaly in that in certain cases school teachers will be in the position to say: "I will not have to participate in the plan because I know that my province is not going to be a member". As a result, they will opt out.

In conclusion, if I interpret the intention of the hon. member for Battle River correctly, what he is attempting to say—and I hope I have presented the intent of the motion, Mr. Speaker, in a reasonable way—is that he wants to relieve the taxpayer from the further burden that would definitely occur in the event that the municipalities were brought within the scheme without any possibility of opting out.

[Mr. Alexander.]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, my remarks on this amendment will be brief, but I have to make it clear that we shall oppose the proposed amendment. The aim of the amendment has just been stated by the hon. member for Hamilton East; it seeks to give municipal authorities the right to opt out of unemployment insurance, which for many civic employees would, of course, be a retrogressive step.

I appreciate the concern expressed by the hon. member for Hamilton East for the financial plight—

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

Mr. Deputy Speaker: Order. The hon. member for Hamilton West on a point of order.

Mr. Alexander: Mr. Speaker, I am not attempting to discourage the hon. member from making his usual brilliant contribution, but I would appreciate it if he would refer to me as the hon. member for Hamilton West. The hon. member for Hamilton East is the Minister of National Health and Welfare.

Mr. Deputy Speaker: The hon. member for Hamilton West has made his point of order.

Mr. Knowles (Winnipeg North Centre): And I apologize to him as profusely as I can, Mr. Speaker. Certainly, I would not want to confuse him with the Minister of National Health and Welfare.

I had started to say that I appreciated the concern of the hon. member for Hamilton West for the financial plight of the municipalities, but I suggest that this is a plight that should be dealt with in some more substantial and direct way. You do not solve this problem just by relieving the municipalities of the cost of paying unemployment insurance premiums; that problem calls for a recasting of the division of taxation revenues in this country among the federal, provincial and municipal levels.

The fact of the matter is that the aim of this bill is to make unemployment insurance coverage as universal as possible. I am in accord with that principle, and I think that any exceptions to it should be only those for which there is an unanswerable argument. As a matter of fact, there are some exceptions that I think should not be here; but as I understand it the reason that provinces are excepted is that there is a constitutional rule—maybe it is a myth but it is such a firmly rooted myth that it is practically the law—that the Crown cannot tax the Crown. In other words, the Crown in the right of Canada cannot pass a law to tax the Crown in the right of the provinces. I understand that is the reason the provincial authorities are excluded from compulsory coverage under the Unemployment Insurance Act, though in the next clause of the bill provision is made for the provinces to be included, if they so desire and thus indicate to the federal government.

No such inhibition obtains in the case of the municipalities. Therefore, I think we should keep the exclusions from unemployment insurance coverage to a minimum. We have to do it in the case of the provinces, but we do not have to do it in the case of the municipali-

ties. There are many thousands of employees who work for government at the municipal level, and their employment is subject to uncertainty as it is in many other areas of work. I think we would do the workers who are employed by municipal governments a service if we kept them under unemployment insurance coverage, and therefore I hope that my hon. friend will not press this amendment.

Mr. Steven Otto (York East): Mr. Speaker, the hon. member for Hamilton West (Mr. Alexander) put forward an argument that I have heard many times to the effect that somehow it is not fair for the taxpayer to pay for unemployment insurance premiums as if they were a tax. This argument has been raised by school teachers and others and I want to deal with it for a moment because, with all respect, it just does not make sense.

The fact is that every unemployment insurance premium is paid by the employer and the consumer. If as a consumer I buy goods, I know very well that I am paying for the premiums paid by employers. Certainly, I do not think the employers are for one moment making a gift. In reality, the same ratepayer or consumer pays for both insurance premiums. To put forward the argument that somehow this is an exceptional tax on municipal ratepayers just does not make sense. In addition, the purpose of unemployment insurance is to give a benefit to the employee. That really is the essential element. How can anyone justify the position that I, as an employee of a municipality, will not get the benefit of this legislation—which I say here and now is very meaningful legislation—while the employee of another corporation or private enterprise concern does get the benefit? How long does the hon. member for Hamilton West think that this situation will last? Public or municipal employees will immediately demand that there be an equivalent municipal fund from which they can draw. All you will have is a fragmentation of this scheme. With all respect, I cannot see the sense in this amendment.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I have carefully listened to the arguments of the hon. member for Hamilton West (Mr. Alexander).

I cannot accept them nor approve the motion as put since, to my knowledge, in my region—and I imagine it is so all across the country—municipalities hire workers temporarily, especially during the summer months and lay them off in the fall. If these workers are not protected by some social legislation, such as unemployment insurance, they will have to apply for welfare assistance should they be unable to find employment elsewhere.

Mr. Speaker, were the motion now being considered passed and enforced, the workers would be in a very bad predicament as is often the case in Quebec. A large number of temporary employees of the Public Works and Highway Departments, for instance, are not contributing to the unemployment insurance fund because they are prevented from doing so by the provincial authorities. These people are laid-off in the fall and if they are unable to find employment elsewhere, they have to rely on social welfare which has nothing left but crumbs to give them.

Hence, I think that even if the municipalities find it somewhat constlier, they should nevertheless be required to pay contributions to the unemployment insurance fund, together with their employees so that the latter may benefit from the Unemployment Insurance Act.

The unemployment insurance act is perfect, I know. In fact, I think that if we could have full employment, that would be much more effective.

But as we have to live in such a situation, we have to try and protect the greatest possible number of workers by this legislation, and I believe that municipal employees should be among those.

• (2:30 p.m.)

[*English*]

Hon. J. A. MacLean (Malpeque): Mr. Speaker, I just want to say a word or two about this proposed amendment. I support it for a basic reason. I take strong objection to one level of government taking the attitude that it knows best and then proceeding to act as God in the conviction it is right and therefore knows what is best for everyone.

The municipalities of this country have a segment of jurisdiction which, in my judgment, should not be impaired by any other level of government. It is my belief that an option should be open to municipal governments to decide whether they want their employees under the Unemployment Insurance Act. If the act has all the merits the government says it has, it is obvious what their choice will be. Nevertheless, it is not for us to say that some municipalities might prefer, under perhaps unique circumstances, to not have its employees covered by unemployment insurance and, therefore, as employers not have to pay a tax which is imposed by another level of government.

There should be a right to an option rather than an imposition on one level of government by another level of government. I know bureaucrats and perhaps socialists—I look to the people on my left and I hope they will excuse me for using that term—like to see everything standardized and shoved into neat, watertight compartments. They are everlastingly trying to put Canadian citizens and municipalities into a kind of Procrustean bed of their own choosing. If they are short they like to stretch them, if they are too long they like to chop pieces off. I think this is bad legislation from that point of view and, therefore, I heartily support the purpose of this amendment. It is not intended to cut off unemployment insurance from employees of municipalities who wish to be covered. Rather, it gives municiplaities the same option as the provinces.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I find myself rather intrigued by the extraordinary kind of logic or lack of it displayed by my congenial friend the hon. member for Malpeque (Mr. MacLean). While I am quite happy to have him refer to me as a socialist, I am not really rising to speak on this amendment as a social-

ist. I rise to speak on it as someone who attempts to have a practical interest in the welfare of the working people of this country, and to deal with a bill presented by a government which is certainly not prepared to call itself socialist.

This argument that the laws made by one level of government should not impinge in any way on the functions of another level seems to be extraordinary. If one were to follow that through, it would mean the people working for a municipality would be completely exempt from provincial legislation setting minimum wages. In fact, the muncipalities would be separate little feudal kingdoms within a kingdom. I think that if the hon. member would reflect upon this he would realize how absurd his logic is if it were brought to its ultimate conclusion.

I have listened to many arguments in this House, some of them advanced by political colleagues of the hon. member for Malpeque, regarding the matter of the federal government accepting its responsibility to pay municipal taxes on federal property lying within the boundaries of municipalities. This is a position I was prepared to support long before it became the accepted practice for the federal government to more or less automatically make a payment equivalent to and in lieu of taxes.

As far as I am concerned, I do not feel we should stand on these fine points of constitutional jurisdiction. Jurisdiction of each level of government should apply to its own field. I would be quite happy to see this strange constitutional fiction about municipalities not being able to tax the Crown on property just as it taxes any other property in municipalities done away with, but the hon. member for Malpeque and his colleagues, in putting forward this argument, are proceeding in a direction exactly opposite to that of the principle of equity of function among various levels of government.

I submit to the hon. member that despite his eloquent plea his argument is not well founded in principle, nor indeed is the amendment. I certainly would be much happier with the bill if this provision exempting the provinces were not included. I do not want to make an issue of it at this time, and obviously I cannot because I have not put down a report stage amendment in my name to that effect, but my colleague the hon. member for Winnipeg North Centre (Mr. Knowles) did suggest that perhaps it was only fiction. Inasmuch as federal jurisdiction over unemployment insurance is embodied in the British North America Act, we might have been wiser simply to have said, all employers, either public or private, will be treated the same way under the same circumstances as far as the question of unemployment insurance is concerned.

• (2:40 p.m.)

Now, the amendment suggests we should move into the area of the municipal level. The question of the distinction which might be drawn between private employers and public or semi-public employers is one which has been discussed quite often. In the 1955 review of the Unemployment Insurance Act, the big debate in this area was over the question of hospitals, and whether hospitals as employers should or should not be required to participate in the unemployment insurance scheme. So, I would suggest the amendment is a retrograde step. In some respects I believe the provision in the bill which exempts the provinces is a retrograde step, because if one ties that particular clause to the next clause it becomes apparent that many provincial employees across the country may be worse off than they are now. This is why I should like to say a word in favour of the principle at least of arriving at a point where neither municipalities nor provinces will be listed here as excepted employers.

Certainly, the employees of the government of British Columbia are concerned about the situation because with the provision of the exemption here and the provisions in the succeeding clauses, those who, at the option of the government of British Columbia, have long enjoyed the benefits of unemployment insurance coverage may suddenly be pulled out of a scheme which the minister and others have said is designed to move in the direction of greater universality. My colleague, the hon. member for Winnipeg North Centre, may have another word or two to say on that subject in respect of the next clause. However, in view of the line the debate is taking, I should like to indicate that far from supporting the approach in the amendment we are dealing with I believe we should delete that clause and remove the exemption for both provincial and municipal governments. I believe this suggestion is perhaps particularly apt because the government is taking the position that federal employees should be participants in the scheme. That puts a different complexion on the whole thing than that which existed at the time of the earlier major re-write of this legislation when the government did not take that position.

I hope that, as a result of this bill, the Minister of Labour (Mr. Mackasey) and the commission will be able to convince the provincial governments of the logic of agreeing that all their employees must be covered on the same basis as private employers will be required to cover their employees.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to support this amendment because I believe it is in line with an option which is already available to the provincial legislatures. We heard in the committee that a province, if it so wished, could exempt its employees from the operation of this bill, presumably through the BNA Act. This amendment, I think, would simply tidy up the situation and allow the municipalities the same privilege. Until this privilege is taken away from the provinces then a certain amount of inequity will be created unless the municipalities are allowed the same privilege. We are dealing with provincial and municipal employees as well as groups of workers who are allied to municipal and provincial jurisdictions. These, in the main, are new workers who are to be taken into the plan. Out of one million odd extra people in the plan, I believe perhaps 400,000 come from these two groups as well as 250,000 from teachers, 400,000 from hospital workers and 50,000 from nurses, plus the armed forces and so on.

I should like to point out that teachers in some provinces are direct employees of the provincial government and in others fall under some sort of quasi-municipal jurisdiction. I believe the teachers, as a group, have strongly objected to inclusion in the unemployment insurance plan, believing the mechanism would be a means whereby if one province decided to carry its teachers this would mean that other areas would follow suit. The teachers point out that their unemployment will occur at the beginning of their careers before they have paid into the plan and that this will make it difficult for them to take advantage of the plan. Indeed, for the teaching profession it would seem these people would have to so organize their lives as to be unemployed in order to take advantage of the plan. If this amendment is adopted it will permit some uniformity in dealing with those teachers in provinces where there is a municipal authority involved.

There is a similar situation in respect of nurses—approximately 50,000—who are employed by municipal hospitals. Generally speaking, these are young people who have a high degree of mobility in their employment. There has been no significant unemployment in respect of nurses in the past 25 years. Indeed, we have scoured the globe to find registered nurses to fill our hospitals. This amendment would allow those nurses, who are municipal employees and who do not wish to be included in the unemployment insurance legislation, to be taken out. I think this would be a means of equalizing the application of the unemployment insurance payments or deductions until at least all provinces agree to participate. In any case, if the unemployment insurance legislation should prove to be so good, there would be a rush of people to be included and there would be no problem in enticing groups to enter.

This amendment would make the principle of universality more flexible and would decrease its application to some extent. I realize that the inclusion of one million workers who have little or no chance of being unemployed will make the statistics look good. I would make an exception in the case of certain hospital workers who, in my opinion, should come under unemployment insurance. There are workers in professions or trades which can make their demands felt, so that at the time of the next pay raise they will get sufficient take-home pay to make up for the deductions they may have lost. I believe it is a good idea that this amendment be adopted. I think it would remove some of the universality of application of this bill which I do not believe is in the best interests of the unemployment insurance principle which we all defend to the best of our ability.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, in speaking briefly to the amendment which has been proposed, I should like to indicate I am opposed to it. It would seem to me if we are to have a successful unemployment insurance plan, we must cover as many workers in Canada as possible. The amendment calls for the inclusion of municipalities in the opting-out provision, thus allowing them to exempt their employees from making unemployment insurance payments. I think this is a foolish amendment. There are thousands of municipalities across Canada, some of them with two or three employees many of whom are only part time employees. Are we going to allow some of these small municipalities that might not have too much cash to say "we are going to save a few dollars by not allowing any of our casual employees to get stamps in their books for unemployment insurance benefits in the event they are out of work"? There is no doubt that some of the municipalities hire teachers, but out where I come from the schools do all the hiring. We are not too worried about the municipalities hiring teachers or nurses, but it seems to me to be very foolish to suggest that the thousands of municipalities from one end of Canada to the other be given the right to opt out of the unemployment insurance plan. We will not hesitate to vote the amendment down.

• (2:50 p.m.)

There is one more point which was raised by the hon. member for Comox-Alberni (Mr. Barnett) and which I, too, would like to draw to the attention of the minister. It deals with this very section. As I read the bill, it gives the right to the various provinces to be all in or all out. Perhaps I am misinterpreting the bill, but in British Columbia we have 6,000 civil service employees who are covered by the plan. They are casual employees, and the rest of the employees who are not covered are upset. They want to be under the plan. I suggest to the minister that he look at clause 4(e). All we have to do is move an amendment to insert the words "in whole or in part" in that clause. Let the provinces come into the plan in whole or in part. This is the way around the problem, and I suggest that the minister look at it in that context. If the province of British Columbia decided to opt out, there would be 6,000 casual employees who would then not be covered by the unemployment insurance plan and they could get into trouble. I do not think this should be our objective, and I suggest that we find some way of getting around this point.

Mr. William Knowles (Norfolk-Haldimand): I rise to support this amendment because, over the years, I have had considerable experience with school boards, having served as chairman of one for a good number of years and having, in that time, wrestled with school budgets. I do know something of the cost that will be added to the school budget if and when this program is put into force. We have talked about this from time to time. While the amendment refers to municipalities, let us not be under any illusion that the municipalities will supply the funds to the school boards who will be paying the employer share of the contributions. I should like to put on the record what this will cost approximately. I have a complete table for all the provinces in Canada. I do not wish to take the time of the House by reading it all, but I would like to cite what it will cost the province of Ontario and then to refer to the total cost.

In Ontario we have approximately 103,000 teachers. The average salary in Ontario is approximately $7,767. The teacher contribution per week would be roughly $1.19. This is based on teacher premiums over a four year period, and this table is based on the situation if this act were in full force today. The employers' share for these teachers would be $86.63 per teacher, making a total addition to the school budget in the province of Ontario of $8,922,890. Taken all across Canada, the total bill comes to $22,666,407. This is certainly not peanuts.

All across the country, and particularly in the province of Ontario, people are screaming their heads off about the high cost of education and the share which the municipalities must bear, which in many cases approximates 60 per cent of the municipal taxpayer's bill. So we are not talking about small amounts of money. For this reason alone, I think this amendment deserves the support of every member in the House if he is at all interested in what his local people are having to pay in municipal taxes. I could go on and talk about teachers being drawn into this plan unwillingly, unable and unlikely to benefit from it. The hon. member for Dauphin (Mr. Ritchie) has already pointed out that the time when the teachers would most benefit from the plan would be the time when they had no equity in the plan, that is when they are at the beginning of their teaching careers. I could argue along that line, but the point I want to make as strongly as possible is the great increase in cost to the municipal taxpayer if this plan is implemented.

Hon. Bryce Mackasey (Minister of Labour): I have listened with a great deal of attention to the various members who have spoken about this proposed amendment. I must say at the very outset that I cannot support the amendment, nor can I suggest to the government benches that we should support it. Of course, members from some of the other parties have indicated the same. The whole concept of unemployment insurance is that we intend to make this plan as universal as possible.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, there seems to be some uncertainty as to what word the minister used. I hope he said "other parties".

Mr. Mackasey: Yes, other major parties. All parties in the House are major. I am simply saying that all enlightened parties oppose the amendment. The point I want to make is that the basic concept that we have proposed, which was accepted by the House on second reading and accepted in the committee, is to make this plan as universal as possible in so far as employees in Canada are concerned.

Our relationship with the provinces has been such that at present, under the old act, the provinces have been permitted, as one hon. member just suggested, to be partly in and partly out. Of course, the consequence of this is that the only groups that have been covered by the provinces in the main have been, what you might call, seasonal workers. This has been unfair to the other people who have to finance the plan, the other employers and employees who do not have the same privilege. It is insuring bad risks as opposed to good risks. One of the features of the existing plan is the option of the province to cover segments of workers. This option is being removed by saying, in effect, to the provinces that if they want coverage for their employees they should cover them all, not just those whom they think it is in their financial interest to cover.

I want to stray from the amendment which deals in particular with the municipalities and get on to the subject of teachers. Under this plan teachers are in, and if this provision is knocked out there will be no plan. We have been engaged in these discussions for several months. We have done all there is to be done to satisfy the teachers. The cost to the school boards has been analysed. I have met with representatives of school boards across this country. They are relatively satisfied, as are the teachers. While admittedly it is an added burden to the school boards to cover teachers, this is true of all employers in this country. However, the savings to the provinces, and therefore to the municipalities, under the Canada Assistance Plan more than offsets it. Because of the lower eligibility and higher premiums, for a period of 51 weeks we are covering people who would normally be forced to go on the welfare rolls of their municipalities. For instance, in so far as the province of Prince Edward Island is concerned the hon. member for Malpeque (Mr. MacLean) may be interested to know that if we were to extend to the municipalities the same right as we have proposed in the bill for the provinces, over 60 per cent of the municipal employees in P.E.I. who are presently covered might not be.

I think the hon. member who spoke for the Social Credit party quite properly pointed out that many municipalities across the country do what they can for the casual workers, the less fortunate in the community, by providing work for them for six, seven, eight or nine months of the year. These people would be denied unemployment insurance while they were out of work. At present 79 per cent of the employees working for civic governments in Newfoundland are covered by unemployment insurance. The other 21 per cent could be workers in certain categories. They could be teachers working as civil servants, and also they could be employees earning over the $7,500 or $7,800 threshold. These figures run from approximately 30 per cent to 79 per cent, and so this amendment is contrary to the effect of some of the amendments that will be proposed by the same party later to other clauses of the bill.

• (3:00 p.m.)

This bill broadens the concept of universality. The party opposite cannot have it both ways. We stand for universality, and as has been pointed out it would be even more desirable if all the provinces were to fall in line like all other employers in the country. However, I am confident that when this bill is passed the overwhelming majority of the provinces will be glad to enter the plan. Frankly, it is inconceivable to me that any province would stay out, particularly in light of the figures I have quoted which show that the majority of civic employees will now be covered.

This amendment, if adopted, would tend to deny coverage to the municipal worker. The decision would not be made by the worker. It would be made by the civic authorities, by elected aldermen who in some communities may be people who have never known what it is to be out of work. Since they would be worrying about administrative costs they might autocratically, without consulting their employees, decide that municipalities should not be covered by the act.

I suggest that if adopted the amendment would weaken the act rather than strengthen it. It certainly flies completely in the face of the principle of universality which has been the cornerstone of the act. The desire and thrust of all the members of the committee, representing all parties, were directed to making the act as universal as possible, as later amendments will show, and so I would hope that this amendment is defeated.

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

Some hon. Members: Question.

Mr. Deputy Speaker: All those in favour will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Some hon. Members: On division.

Mr. Deputy Speaker: I declare the motion negatived on division.

Motion No. 2 (Mr. Downey) negatived.

Mr. Deputy Speaker: As hon. members will recall, motion No. 3 is to be considered separately.

Mr. Lincoln M. Alexander (Hamilton West) moved:

That Bill C-229, an Act respecting unemployment insurance in Canada, be amended by adding next after subclause (1) of clause 4, following line 35 at page 5, the following:

"(2) The Commission may, with the approval of the Governor in Council and subject to affirmative resolution of Parliament, make regulations for including in insurable employment any business within the definition of "business" in the Income Tax Act."

He said: Mr. Speaker, the minister dealt with universality when speaking with respect to motion No. 2. Perhaps hon. members may think that I am now attempting to do a flip-flop, but having listened to the brilliance and eloquence of the minister's remarks on universality, I wish to give notice that I would like this motion amended. I can advise the House that the government is prepared to go along with this motion, subject to it being amended in such a way as to make it more acceptable to the government, and to strengthen the intent of what we are attempting to do. All that the motion attempts to do is give those in the category of self-employed persons the opportunity of becoming involved in unemployment insurance. We are attempting to open a door whereby those who are sufficiently in need, even though they may be self-employed, can be covered by unemployment insurance.

I refer to certain significant parts of the motion. It reads "the Commission may—". That is a permissive word. Then, it continues, "with the approval of the Governor in Council and subject to affirmative resolution of Parliament, make regulations for including in insurable employment any business within the definition of "business' in the Income Tax Act." Certainly a lot of self-employed people may not want to become involved with unemployment insurance, but on the other hand a lot of others may want coverage. I am appreciative of the government's helpfulness to the opposition in this respect, and I will be seeking unanimous consent to have four words included in the motion in order to bring it into an area of acceptability. In the fourth line of the motion after the word "any" I suggest that the following words be inserted "person employed in a" so that it would read "make regulations for including in insurable employment any person employed in a business within the definition of "business" in the Income Tax Act." I am grateful for the assistance of the government. I am sure that, as a result of this co-operation, this amendment in the long-run will be of some assistance to those who are presently excluded from the act. I also hope that hon. members to my left will see the reasoning behind the amendment and agree to support it.

Mr. Deputy Speaker: Of course, the hon. member may only amend the motion at this stage of the proceedings if there is unanimous consent of the House. Hon. members have heard the hon. member for Hamilton West (Mr. Alexander) state his suggested amendment. Is there unanimity?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The motion is amended as outlined by the hon. member for Hamilton West.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I have no objection to the amendment as reworded. What this simply reiterates is the power of the Unemployment Insurance Commission to define by regulation employers as employees for the sake of the act. The amendment just makes this a little more specific, giving the commission power to include for coverage at some later date, if necessary, certain groups of people. I think the act would be stronger as a result of this amendment and I am pleased to accept it.

• (3:10 p.m.)

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we certainly are prepared to give our support to the amendment to the motion. However, Mr. Speaker, I am a little puzzled that the hon. member has added these words because it seems to me he has departed from his desire to cover self-employed people. The hon. member says he does not think so, but this is a matter

that has to be ruled upon at some point. With these words in, it is now allowed to the commission to pass regulations which will include a person who is employed in a business which is defined as such in the Income Tax Act. It is still limited to an employed person, and does not cover a self-employed person. We accept this, but I still hope the day will come when a way will be found to include self-employed persons under the provisions of this act. We have spent a good deal of time on this in committee, and those of us who were there realized the complications and difficulties that exist but it is still a fact that there are many self-employed persons who lose their income just as much for reasons beyond their control as is the case with employed persons. After all, I have just alluded to the reason for unemployment insurance, namely, to provide for the continuation of income of persons who lose their income for reasons beyond their control. We think that should be applied across the board.

While I am on my feet, I will look the minister in the eye and he will know what I am about to get into at this point. Because we are talking about including other classes of people by means of regulation, I should like to suggest either that the act be amended or that the minister tell us that he will have it looked at under the provisions of this amendment, to deal with the question of covering Members of Parliament under the Unemployment Insurance Act.

This has been suggested a number of times, Mr. Speaker, and it has been taken up in two ways. Those of us who have proposed it have done so because we believe in the principle of universality. We think that, just as we are requiring other people to pay into the unemployment insurance fund, we should be required to pay into it ourselves. Other people have taken it in a different light, and indeed some newspapers have suggested that this was just a proposal to add to the many perquisites and benefits that flow from being a Member of Parliament. When we have debated the pensions, salaries and expense allowances of Members of Parliament, I think I have made it pretty clear that we have to exercise restraint. I have said very clearly that we have gone too far in these areas and, therefore, I do not think I can be accused of proposing to add more. I think that some people being brought under unemployment insurance coverage have a legitimate grievance when they say, "You are bringing us under it but you have not brought yourselves under it."

Mr. Deputy Speaker: Order, please. I do not want to interrupt the hon. member, but I have some grave doubts that he is in order in making the suggestion that Members of Parliament should be brought under the act, at this time when we are dealing with motion No. 3. If the hon. member feels that he is in order, he might indicate his reasons to the Chair.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think I am on the fringes of being in order, but I think I can state the case in less time than it would take to prove that I am in order. I will simply say that I hope the minister at some point would get the consent of the House to extend the principle of universality, which is the aim of this motion, so that we will be included. I hope it will be done in such a way that we will not get the benefit of unemployment insurance if we go out on pension and so on, but I hope a way will be found to see that we carry our fair share by paying our premiums into the Unemployment Insurance Fund, as we ought to do.

If I may, I go back now and say that I think what I said was at least on the fringes of being in order. The purpose of this amendment is to extend the principle of universality and I should like to see that extension include Members of Parliament.

Mr. Mackasey: If I might, I should like to take advantage of the invitation of the hon. member who is on the fringe of being in order, therefore I am on the same fringe. In view of the subamendment proposed by the hon. member for Hamilton West (Mr. Alexander), and in view of the possibility which the hon. member for Winnipeg North Centre has raised that the objective of the hon. member has not been reached by the additional words, I wonder if I would be in order in suggesting to the House that this section stand. In that way, I would have an opportunity to speak with the legal officers of the department in order that we may, through the proper wording, obtain what the hon. member for Hamilton West has suggested. Possibly at the same time, we could have it worded in such a manner that in the future, through regulation the Unemployment Insurance Commission, when it is deemed appropriate, could include such groups of people as Members of Parliament. If the time is appropriate, and if after study we find that we can convince people that the thing will not be abusive, perhaps the clause can be worded in such a way that the pension benefits of retiring Members of Parliament and things of this nature are taken into consideration in conjunction with the benefits of unemployment insurance for those Members of Parliament who might not be returning next year.

Possibly I would be able to do both those things with a reworded subamendment. Mr. Speaker, after consulting a little later in the day with the officials of the department. Before the supper hour, we could perhaps come back and clear up that particular clause.

Mr. Knowles (Winnipeg North Centre): Agreed.

Mr. Alexander: Mr. Speaker, I shall not take much time. I am very grateful for the judgment that the hon. member for Winnipeg North Centre (Mr. Knowles) has brought into the picture. In trying to extend this coverage to the self-employed, it appears that perhaps I have restricted. Of course, that is not what I am attempting to do.

Mr. Knowles (Winnipeg North Centre): You are only a lawyer, Lincoln.

Mr. Alexander: Maybe that is the problem; maybe we have too many lawyers here and we are not used to drafting a document in terms that people will understand. I am appreciative of the suggestion made by the

minister, and I think we should defer this clause until we can reach some agreement on words that would extend coverage to the self-employed. As far as Members of Parliament are concerned, I have no thoughts on that subject at this time. I am just interested in the particular question of the self-employed. Whether we are self-employed or not is another question that has to be determined, and I am not too interested in that phase of the argument at the moment, just the general theme of the motion in attempting to bring in the self-employed.

Mr. Deputy Speaker: Is it agreed that motion No. 3, as amended, shall stand?

Some hon. Members: Stand.

Motion No. 3, as amended, stands.

Mr. Deputy Speaker: In accordance with the order made earlier today, motions Nos. 4, 5 7 and 8 shall be grouped for debate and a decision on motion No. 4 shall also dispose of motions Nos. 5, 7 and 8.

The Chair has some difficulty here. Motion No. 4 stands in the name of the hon. member for Hamilton West (Mr. Alexander) but the hon. member for Wellington (Mr. Hales) has indicated that he would move it. There would have to consent to do this. Is it agreed?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Wellington (Mr. Hales) for the hon. member for Hamilton West (Mr. Alexander) moves motion No. 4 as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting the words "two weeks" in paragraph (g) of subclause (1) of clause 16, lines 35 and 36 at page 10, and substituting the words "first week".

The hon. member for Winnipeg North Centre (Mr. Knowles) for the hon. member for Oshawa-Whitby (Mr. Broadbent) moves motion No. 5 as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting the words "the two weeks" from paragraph (g) of subclause (1) of clause 16 in lines 35 and 36 at page 10, and by substituting therefor the words "one week".

Mr. Deputy Speaker: Is it the wish of hon. members that the same sequence of mover and seconder be followed with motion No. 7?

Some hon. Members: Agreed.

Mr. Deputy Speaker: The hon. member for Wellington (Mr. Hales) for the hon. member for Hamilton West (Mr. Alexander) moves motion No. 7 as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting the word "two" in clause 23, line 23 at page 13 and substituting the word "one".

The hon. member for Winnipeg North Centre (Mr. Knowles) for the hon. member for Oshawa-Whitby (Mr. Broadbent) moves motion No. 8 as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting the word "two" from clause 23 in line 23 at page 13, and by substituting therefor the word "one".

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• (3:20 p.m.)

Mr. A. D. Hales (Wellington): Mr. Speaker, we have before us one of the most important amendments to the Unemployment Insurance Act. This amendment deals with the waiting period, that is the period of time to establish one's rights to benefits. Under the present Unemployment Insurance Act, the waiting period is one week. The government proposes to extend this waiting period to two weeks. My amendment proposes that this should not be done and that it should remain as at present with a one week waiting period. I shall try to put forth my arguments why the waiting period should remain as at present.

This is an insurance bill. An insurance bill is always drafted to provide insurance and protection. When one is entitled to protection or insurance, he wants it right away. He does not want to wait for two or three weeks or even one week. This is the case in such insurance plans as accident and sickness, life insurance or automobile accident. Indeed, if you are involved in an automobile accident, an adjuster is on the job almost immediately. Fire insurance operates in the same way. With other forms of insurance, the adjustment or claim is attended to immediately. The government is now asking these persons to wait one week longer for their unemployment insurance benefits.

Under our present economic situation in Canada, we have a very high rate of unemployment. Welfare costs average as high as 68 per cent. Indeed, in the city of Toronto last year, welfare costs were $45 million. If people must wait an extra week for their unemployment insurance, I am convinced there will be only one result. More people will have to go on welfare to tide them over until their unemployment insurance cheque arrives.

I am sure all hon. members realize that there are thousands and thousands of people who live from week to week. The amount of their Friday night cheque is already committed before they receive it. It is required for rent or they go shopping on Saturday for food and clothing for the children. When a person becomes unemployed, he needs this unemployment insurance cheque immediately. He cannot be expected to wait a week longer than he is now waiting.

I am sure all hon. members have had experience with situations in which something has happened to unemployment insurance benefit cheques. Either the computer went haywire or the form was improperly filled out. As a result of persons not receiving their benefit cheques, they get in touch with their Member of Parliament to see what they should do. They have no money on hand and there is no food in the house. The money is due to them but they have not received it. What do we expect them to do? How are they going to feed their children? The government is now going to ask them to wait an additional week before receiving this benefit. I am convinced that this will increase the welfare costs in this country.

If we are putting forward an insurance bill, we must provide proper insurance. I know the minister will say that this suggestion will cost more money and by extend-

ing the waiting period another week the government will save approximately $160 million. This does not interest the unemployed. They are interested in proper coverage and an immediate settlement of their claims. I know the point will be raised that the premium will be reduced from $1.40 to 77 cents. Why drop it down to that level? Why not strike a half way mark and still provide the one-week waiting period rather than the two-week waiting period?

I am sure that every member in this House has received many letters and telegrams from many organizations and people pleading for the government not to include this extra waiting period in this new plan. I received a telegram from one union, Local 541 U.E. It reads in part:

We have grave concern about the increased waiting period, the possibility of reduced benefits for many of the unemployed—

There is grave concern about this extra waiting period among those people who are covered by unemployment insurance schemes. The added welfare costs to which I have referred will have to be borne by the municipalities. It is the taxpayers who will have to pay for this. The unemployment insurance scheme is contributed to by the employer and the employee, and the cost of administration is paid by the federal government. If people are going to be forced to accept welfare because of the added waiting period, the employer and employee, particularly the employer will have to pay in two ways, through his municipal taxes and through unemployment insurance. I plead with the minister and his officials to give this amendment very serious consideration.

Another argument that might be made by the minister is that the benefits are going to be higher under the new plan. The unemployed person is not as concerned about this as about having the benefit available immediately. He says "I need it now; I do not need it in the future, I need it when I am unemployed. That is today." As I said before, the waiting period is being extended to two weeks. Even with a one-week waiting period, from the time the form is filled out until the cheque arrives takes two or three weeks. By extending the waiting period to two weeks, it will be three weeks before he receives payment under this new unemployment insurance bill.

This is the most important change in this new bill. I hope the minister will give it a second thought. If the minister cannot see his way clear to accepting this amendment in its present form, I plead with him to give serious consideration to leaving the one-week waiting period the way it now is until such time as he gets the new bill into operation and gets the administrative problems ironed out. Goodness knows, the administration of this new bill will be a Midsummer Night's Dream for the officials concerned. They will be so busy ironing out the wrinkles in this new bill that it would be a great relief to them I am sure if the waiting period were left at one week, as it is now. Possibly the two-week waiting period could be introduced later on.

• (3:30 p.m.)

If the minister does not wish to do this, I will offer an alternative. Why does he not tie the waiting period in with the national average unemployment figure? In other parts of the bill we find that the period of benefit entitlement is related to the national unemployment figure. If the national average is 4 per cent, the period will be ten weeks; if it is 5 per cent it will be 14 weeks, and so on. Why cannot the waiting period also be tied in on a similar basis? The length of the waiting period is an important part of the bill. I have therefore no hesitation in recommending motion No. 5 for the consideration of the House.

[Mr. Hales.]

Mr. Stanley Knowles (Winnipeg North Centre): At this time we are considering four proposed amendments, Nos. 4, 5, 7 and 8. Two of them are on the order paper in the name of the hon. member for Hamilton West (Mr. Alexander) and two of them in the name of my colleague from Oshawa-Whitby (Mr. Broadbent). Although their wording may vary slightly, they seek precisely the same thing. They seek to amend clauses 16 and 23 so that the waiting period under the new Unemployment Insurance Act will be one week, as it was under the old act, instead of two weeks as is now proposed by the government.

The workers of Canada have felt for a long time that the Unemployment Insurance Act is their legislation. They have become very familiar with its provisions and with its details. If I might speak particularly for the organized workers, I would say they have studied this legislation very thoroughly. Naturally, there are a number of provisions in the new bill which are of concern to the workers who have considered it, but I must say this point is one which seems to have provoked the widest misgivings, namely, the extension of the waiting period from one week to two weeks. The hon. member who has just spoken has called attention to some of the difficulties which will arise if this is done. I would like to underline what he said and to express the hope that the government will yet consider the request we are making in this respect.

The minister and his officials have been quite forthright with us in giving us the reasons for proposing this increase in the length of the waiting period. They have stated that it is their desire to improve the benefits available to unemployed workers and to reduce the premiums. More people are to be covered, benefits are at a higher rate, benefits are to be extended in the sense that sickness and maternity are to be covered, and so on. And the minister and his officials have made it clear to us that if Parliament is to provide these things, things which provide more money, funds have to be found in some way. So, they are to be found by bringing into the scheme people who have not been participants up to this point, and by cutting some benefits here and there. Here we are considering one of the benefits which is to be cut, namely, the right to draw unemployment insurance after a waiting period of only one week.

It has been my experience that workers, particularly the organized workers with whom I have had some connection, have never objected to any extra cost which would be involved in extending unemployment insurance benefits. I remember years ago when we first started arguing for coverage in times of illness that the question

was put in committees of the House of Commons to workers' representatives: Are you prepared to pay an extra premium if necessary for this extra benefit? The answer was always a ready and unqualified yes. I believe that is the story now. I believe that if we give the workers the right to a shorter waiting period, in other words, to begin collecting benefits in the second week rather than in the third week, they would be prepared to agree to contribute to the higher cost incurred.

As the bill stands, the amount of premium to be paid by the employee and the employer is to be fixed annually. Rates will be determined each fall for the ensuing calendar year, based on what the experience has been. No amendment to the monetary part of the bill is, therefore, required for the kind of amendment we are proposing. The extra cost to the workers as well as to the employers will be automatic. It is, of course, a fact, that the workers have been used to the one week waiting period. But one must make the point even more strongly that at times such as these when there is so much unemployment, when so many people have to live on a hand to mouth basis, it is not very acceptable to tell someone he should be willing to accept a waiting period of two weeks instead of one week because the benefits he is eventually to receive will be somewhat greater. I do not think we need take the time to argue it. This is one change on which we in the opposition parties are united. It is our hope that the government will agree to these motions when the vote is called. It would be even better if it were not necessary to vote, if the minister, who has already shown he is ready to agree to some changes, would tell us now that he will agree to this one.

In any case, I make it quite clear that we in this party support the necessary amendments to the act to provide that we keep in effect the one week waiting period rather than moving to the two weeks waiting period, which would be extremely difficult for those in this country who become unemployed.

• (3:40 p.m.)

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I wish to support the four amendments that are now being studied together, to the effect that the waiting period before receiving unemployment insurance benefits be one week instead of two weeks as set out in the bill.

Mr. Speaker, I support those amendments because as the mover pointed out a few minutes ago, by the time the worker receives unemployment insurance benefits his income has already been reduced and if he has to wait one more week—two weeks instead of one—he is being penalized, his income is further reduced.

As the hon. minister and others who took part in the debate on this bill pointed out, our aim here should be that the worker who is laid off should not be deprived of his income and have to face financial difficulties in supporting his family.

Mr. Speaker, I think the worker is not responsible for losing his job. He has nothing to do with that, as it is due to uncontrollable circumstances.

Therefore, I do not believe we should penalize more than is necessary the worker deprived of his job, by having him lose two weeks of unemployment insurance benefits instead of one.

I think that the current one-week waiting period is amply sufficient for anybody who lost his job to determine whether he can find another one. If he cannot succeed within one week I doubt he would in two.

Mr. Speaker, in the centre column of page 17 of the white paper on unemployment insurance, introduced a few months ago, you can read and I quote:

> The traditional stability of occupations such as nursing, teaching, police work, the armed forces and the public service can no longer be taken for granted. Supply may become greater than demand; austerity measures can cause redundancy;

Everyone knows to what extent the government used restraint measures in its administration to fight inflation, for example, and each time restrictive measures have been adopted for one reason or another, the worker has always suffered from it. Because of the current administration and its predecessors, workers have been sufficiently penalized and should not be even more penalized.

I am confident that the minister and the other cabinet members will understand the arguments put forward and the reasons why the movers have suggested reducing the waiting period to one week. I wonder why anyone would try to extend the waiting period to two weeks.

I strongly support the movers and I hope that the government will consider this motion favourably as it did the first one at the very beginning of this debate.

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

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I apologize to the last speaker for my attention being diverted and not realizing that he was coming to the end of his remarks. I am not unaware, of course, of the very persuasive arguments for the reduction of the waiting period from two weeks to one week. The hon. member for Winnipeg North Centre (Mr. Knowles) pointed out, quite accurately, that this is one of the areas in which workers, through their representatives in the trade unions, the Canadian Labour Congress and other responsible groups who appeared before the committee, have suggested that the ideal plan would, in effect, be to have no waiting period at all.

Mr. Knowles (Winnipeg North Centre): Hear, hear.

Mr. Mackasey: The hon. member says "hear, hear". The point is that I am rarely accused of being very conservative—and that is quite a feeling—in my approach to social legislation that affects the workers. However, when we sat down to formulate this proposed change and many other fundamental changes to the Unemployment Insurance Act for the first time we took, perhaps, a global picture of how best to help the work force of this country at reasonable cost to employee as well as to employer.

While the workers of this country have, with some degree of justification, looked upon the Unemployment Insurance Act as their own, we all know that the cost of the plan since 1940 or 1942 when it came into existence has been borne not only by employees but also in equal amount by employers. The plan, therefore, is not the same as the one in the United States which is financed entirely and exclusively by employees; our plan is equally financed by the employers of Canada.

The hon. member has already alluded to the cost factors of many of the features of the plan. For example, the cost to the plan of reducing the two week waiting period to one week, as suggested, and which the workers claim they would be quite pleased to pay for, would run to about $160 million for the normal features of the plan. In addition, of course, you would have to meet the cost of the sickness and accident benefits which would come into effect after one week instead of two, which would mean that the cost would go up to somewhere around $300 million to $400 million.

If you try to apportion that amount of money into weekly contributions, this would run from a minimum of 65 cents a week to up to $2 a week for every employee and employer in this country, an astronomical figure. So, although this proposal may be desirable, it just is not realistic at this stage.

As I said in the committee, since it is the intention of the government, and presumably of subsequent governments, to review the Unemployment Insurance Act with much more frequency, it is quite possible that over the next three, four or five years, after we have had an opportunity to assess—

[*Translation*]

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

Mr. Speaker: Is the hon. member for Abitibi rising on a point of order?

Mr. Laprise: Yes, Mr. Speaker.

I regret to interrupt the minister, but the translation system seems defective and I wish I could hear the minister's remarks.

Mr. Speaker: Possibly the minister could resume his remarks. We shall then determine whether the hon. member can hear the minister's comments. Perhaps the necessary adjustments will then have been made.

• (3:50 p.m.)

[*English*]

Mr. Mackasey: Thank you, Mr. Speaker. I have been told previously on many occasions that there was a screw loose in the speaker, and I am not sure which speaker they were referring to at the time.

Mr. Knowles (Winnipeg North Centre): Not the Chair.

Mr. Mackasey: I apologize, Mr. Speaker. I did not really realize how all-embracing that word is.

I was saying, however, that to reduce the two-week waiting period to a one-week waiting period would cost $160 million minimum and could run perhaps as high as $400 million, depending upon the effect of the inclusion of the sickness and maternity features of the bill. So, although it may be desirable one day to get down to a zero waiting period, it is not practical or realistic now.

The second problem we have results from the introduction for the first time of these features in the unemployment insurance, that is, the extension to include people under unemployment insurance as a result of sickness or maternity. Quite frankly we need the two-week waiting period to make certain that people drawing unemployment for these particular reasons are in fact eligible. The administration period is bound to be greater with these new features than was previously the case when we did not have unemployment insurance benefits extended to cover sickness and maternity.

Hon. members are certainly very knowledgeable about the operation and know that the two weeks in many cases could mean eight days. People who register under the plan on Friday could become eligible in as little as eight days. So, the two-week period is highly desirable from an administrative point of view. For that very reason we want, and will make certain, that the unemployment insurance extended to those workers who are off because of illness or maternity is applied properly. Every effort will be made to make sure this is not intentionally or unintentionally abused. From an administrative point of view, we need those two weeks. As I mentioned, this could be as little as eight days or as much as 14 days, depending on when an individual applies and how long it takes to process the application. There are certain functions I do not want to get into in detail.

In addition, it might create a situation where such an individual would receive more money by staying at home than by working, so it would pay an individual to stay on unemployment insurance. We do not want to introduce intentionally any such disincentive. For those two reasons; the fact that the reduction in the waiting period from two weeks to one week would cost anywhere from $160 million a year and up, and the employees of the country would be glad to absorb it, and the fact that we need the time for administration purposes, we feel we cannot accept the amendment.

Such a reduction in time would place an equal burden on the employers of the country who, in the main, have been very responsive to our plan. These employers have advanced a minimum of objection to the features of the plan and generally find the bill very desirable. I suggest when the next review of the act takes place, three, four or five years hence, this could be one area of discussion, whether we can make an improvement by reducing the waiting period to one week. We will then have had five years' administrative experience in operating the plan. We would be able to anticipate the cost of the plan with even greater precision.

Although it is politically attractive to me, as the Minister of Labour, to recommend the acceptance of such an amendment, I must resist the temptation. As desirable as this amendment may be from a humanitarian point of

view and as a step in the direction toward an Utopian plan, we must look at what we have tried to do with this. We have tried to construct it in such a way that the workers in this country will get maximum benefits at a reasonable cost. We think we have been able to do this, which you will see if you look at it in the total picture rather than at segments of it. If we were to reduce the two-week period to one week we would substantially increase the weekly contribution, not only to employees at 65 cents a week minimum, but by a dollar or more a week to employers, or conversely we might reduce the benefits and thus reduce the pay-outs.

The hon. member for Winnipeg North Centre (Mr. Knowles) quite honestly and properly suggested that the two-week period represents a savings to the plan. It also provides something equally as important. It provides an opportunity to administer the plan with a maximum degree of efficiency. These two things have made it possible for us to introduce maximum benefits with the smallest possible burden on the working force. While the principle of the amendment is socially desirable, I think it is premature, and in a sense this will be the main area on which amendments to the act in five years' time might centre.

Let me say in conclusion that we have to make certain the new features of the act in relation to sickness and maternity are administered properly. We need this time to check out many aspects of eligibility. This would be very difficult with a one-week waiting period. And I point out again that if an applicant registers on Friday this will mean really only eight days required to process a claim properly and ascertain whether the sickness is in reality a real sickness. We must check other aspects in respect of maternity as well.

Equally as important is the fact that the reduction from two weeks to one week would place an added financial burden on the plan amounting to $160 million to $400 million depending on the use of the sickness and maternity features. Even though employees might be quite happy to share the load in this regard, it would cost an extra 65 cents or a dollar a week. Furthermore, it might well interfere with sickness plans now in existence, some paid for by employers who provide some form of payment during a period of sickness. For all these reasons, I would respectfully ask the House to reject the amendment.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to say a few words about the amendment before the House. I listened with a great deal of interest to the statement just made by the minister. He gave us the additional cost involved in cutting down the waiting period to one week. I must say I still do not accept the argument put forward. It seems to me if we are going to save between $160 million and $400 million in cost that sum of money still has to come from somewhere. It has to come out of the pockets of the workers, and these are the people receiving benefits from the sickness and maternity features, but these are workers without jobs. They can ill afford to lose this benefit because of the additional costs, even though it will be spread nation-wide among these unemployed.

There is another point which I do not think was covered. If it was I must have missed it. The act as it now exists provides for a one-week waiting period in a benefit year of 52 weeks. The proposed legislation calls for a two-week period. The question I ask is what happens to those workers who have a series of jobs during the summer? They will not only lose two weeks but perhaps four weeks in a year, or maybe more. This waiting period is not going to be just a one-shot affair, at least as I read and understand the bill. If an individual is unemployed twice during the year, he will have a full month during which he will receive no unemployment insurance at all. There are a lot of people in this category. A very large number of casual workers in every part of Canada do not have just one job but a series of jobs. They lose considerable benefits, as I see it, unless the minister has more information on this. Is there to be more than one two-week waiting period in a year? They should be able to continue receiving benefit without interruption if they have sufficient stamps. I would like an explanation on this.

• (4:00 p.m.)

Some of the groups which have been writing to me are as worried about this aspect of the legislation as I am. I feel we should have left the one week stipulation in the regulations. I would have reversed the condition the minister has given this House. I think we should have tried this legislation for the first year or perhaps for the first two years. The government certainly will not be paying nearly as much in unemployment insurance costs as it paid under the old plan. As I read it, they will not be paying part of the cost of running the plan until there is over 4 per cent unemployment. Why do we not experiment for a year and let the government pick up the tab so that we might find out what it is to be, and then have a review at the end of the first or second year. This would be the proper approach.

Let us give the unemployed people in Canada a break. Let us tell them this is really a new plan. This is what it should be. This is the object of the legislation. There are some substantial improvements in the legislation, but this is one of the particularly weak sections of it. I still feel the amendment to cut back the waiting period to one week, as presently exists under the old plan, is a sound one which ought to be accepted by the minister.

Mr. Speaker: Is the House ready for the question on motion No. 4?

Some hon. Members: Agreed.

Mr. Speaker: All those in favour of the motion please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Pursuant to Standing Orders the division stands deferred. As agreed by the House earlier during the debate, this will apply to motions Nos. 5, 7 and 8.

I have indicated before that motions Nos. 6 and 21 have been combined for purposes of debate, it being understood that a vote either negative or affirmative in relation to motion No. 6 would also dispose of motion No. 21.

Mr. Lincoln M. Alexander (Hamilton West) moved:

That Bill C-229, An Act respecting unemployment insurance in Canada, be amended by deleting the word "eight" in paragraph (a) of subclause (2) of clause 17, line 16 at page 11, and substituting the word "twelve".

That Bill C-229, An Act respecting unemployment insurance in Canada, be amended by deleting from Schedule A at page 106, under the column titled "Weeks of insurable employment in qualifying period' in Table 1, the figure "8" in the first entry thereunder and substituting the figure "12".

He said: Mr. Speaker, there is not too much enthusiasm from the other side at this point.

Mr. Knowles (Winnipeg North Centre): There is not too much on your side either.

Mr. Alexander: Well, we have quality here which is extremely important. We do not need quantity. I have always been particularly concerned, and in fact I would say perturbed, about what would happen in respect of this particular clause. If I recall correctly, the present act indicates that those who will be entitled to unemployment benefits must have had an attachment to the labour force for 30 weeks in the past 104 weeks, with eight weeks being in the last year. When I think of that, I recall that our party has indicated not only in this House but also across the nation that we beg the minister not only to increase the benefits but also reduce the period of eligibility. I do not think anyone would attack us in that regard, particularly because of the cost of living these days, but I shall not go into that because we are not talking about the maximum benefit. I hope when we asked that the eligibility period be reduced the minister did not think we wished to give away things on a platter. When I look at the eight-week period it would seem to be a considerable change, in my humble opinion. The explanation I heard would lead me to believe that it was just a question of judgment whether it would be 6 weeks, 8 weeks, 10 weeks or 12 weeks.

I became increasingly concerned when I found that an eight-week attachment—if I recall correctly and if all things are equal—would allow one to receive 44 weeks of benefit. This is really what I would call a good thing. Surely, we are all in the position where we think about helping one another and being our brother's keeper. Certainly the government must at times, according to my philosophy, help people to help themselves. I wonder, however, whether in fact we are really helping people to help themselves when we reduce the eligibility period to eight weeks. I know I have been misquoted in the newspapers. I have been misunderstood as a result of these misquotations from not only the newspapers but also the radio. I have been quoted as saying the Canadian people are lazy. I have never said any such thing and do not intend to say it. I realize I said that if I were involved I would be tempted to work for eight weeks only with the expectation of receiving 44 weeks of benefit, but certainly it would seem to me that when you hold out some inducement to a person all you are doing is trying to influence people to have little personal initiative in an effort to get ahead.

This is what concerns me and this is the reason I object most strenuously. I know the minister and his officials have indicated to me how important they feel this change is. For the life of me, however, I cannot understand it, particularly when in the committee we were given the impression that the eight-week period was just taken out of the air and was a question of judgment. When I look up at my friends, the officials sitting in the gallery, I wonder why their judgment did not allow them to pick 12 weeks, which I would think would be more in keeping with allowing a person to have initiative. If we are trying to follow the new line of thinking, which is to the effect that governments must be involved with people, it would seem to me we should try to leave people with a will to continue to work and make it on their own. How can we do that when we indicate to a person that all he has to do now is become attached to the labour force for eight weeks in a year and, if all goes well, he will be allowed 44 weeks of benefits. He might be earning $100 a week. Let us put it at $150 a week for eight weeks, and with the new benefits which he will be able to obtain, it appears to me that a person can acquire 44 times $100, which is $4,400.

• (4:10 p.m.)

Of course, the other important point is that it is taxable. Many people will understand that these benefits are not free. The minister indicated, rightly so, that we are going to give some benefits, but we will get something back from them. If you make $150 a week during the eight weeks you contribute, it seems to me that if things go well eventually you can take out $4,400. Perhaps I am wrong. I hope that the minister will clear that up, but as I understand it and as the officials have stated, that is the gist of it.

I could go on and on with it, but I just want to register my dismay and my lack of understanding of how the government can possibly think that this is an incentive. I thought that when we talked about unemployment insurance we meant temporary income maintenance. But 44 weeks is not temporary, it is permanent; as a matter of fact, it is a whole year's salary. I am not saying it is the best of salaries, but I am wondering what we are attempting to do. This is supposed to be temporary income maintenance to facilitate re-absorption into the productive activity of the work force.

All I can say in conclusion is that I am dismayed by this particular clause, and I am afraid that with all the good intentions the government may have, this clause is open to abuse. It removes the incentive that we are all seeking. It certainly does not enhance personal initiative. So, my two motions are an attempt to make the act more reasonable. What we are trying to do is to allow people

to help themselves. I think this is what the government should be doing.

The philosophy of my party is that the government should not move in until it is actually and really required. In other words, the individual should be able to help himself, and this is what I like about our philosophy. Governments should not just look after people from their birth to their death, but we are starting to move in this direction. Whether or not Canadian people can afford this is questionable. But I hope that the minister, as well as my colleagues in the House, will appreciate what I am saying. It is not that the Canadian people are lazy. Heavens, no, I would never say that. What I am saying is that when you hold out these enticements, these inducements, these carrots, there is bound to be abuse. I hope that the administration which will be set up will be able to cope with these abuses effectively, because I can foresee problems for the department and for the minister. What he has done, in effect, has been to remove the initiative from people to continue to seek work.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, it was very pleasant when we were debating the last set of amendments to be associated with the members of both of the other opposition parties. On that occasion we were unanimous. That unanimity is at this moment shattered by the stupidity of the motion that my friend has put down. I cannot say I am surprised in the sense that I am taken unawares because it is an amendment which my friends in the official opposition moved when we were in committee, but I thought it had been sufficiently dealt with there so that they would not be so foolish as to raise it again on the floor of the House.

I must say also that I find it quite inconsistent for my good friends to the right to want to improve unemployment insurance for the workers by cutting the waiting period from two weeks to one in the last debate and now wanting to make the whole scheme less attractive for the workers by making it necessary for them to have a longer attachment to the work force before they can collect benefits.

I also find it a piece of inconsistency for hon. members to my right to say that one of the things that is wrong—and this was said today—about bringing teachers under the plan is that the plan will not provide them with benefits when they need them, namely before they start to work at all. So in that instance they are really asking for no attachment. They were asking for benefits to be paid to certain people before they start to work, and now when the act proposes that they shall receive benefits after a period of eight weeks, they say, oh no, that is too soon, that is offering a carrot; it is a contribution to laziness, so we must make it 12 weeks.

I really think that the argument which my good friend, the hon. member for Hamilton West (Mr. Alexander), put up in which he builds a case of people paying this small unemployment insurance premium for eight weeks and then automatically collecting benefits, as he says, for 44 weeks, is a poor one. Although he did not put the actual multiplication in cold language, he gave the impression that they would receive $4,400 for a few weeks contribution, namely eight weeks contribution to the unemployment insurance fund. It does not work out that way.

Surely he knows that there are two kinds of claims, a minor claim and a major claim, and surely he knows that eight weeks does not entitle you to the full benefit. There are other conditions to be met. Surely, he also knows that you do not get a benefit of $100 a week unless you have had a certain period of employment at $150 a week. This kind of attack on the unemployment insurance scheme is all right when you read it in some of the Tory newspapers in the country, the financial papers and others.

Mr. Alexander: The hon. member is getting mean.

Mr. Knowles (Winnipeg North Centre): I do not want to be mean, I just want to get my good friend back on the track. In the debates up to his point he has been speaking for the workers, trying to improve things for them, and a number of his amendments are in that direction, although not all of them. But I think this one is completely out of character, at least for my good friend, the hon. member for Hamilton West.

We debated it at length in the committee, so I do not need to spin it out now. I still think that my hon. friends are right when they express concern for people who make no contributions at all. I think that a person who has trained to be a teacher or trained for some other job, who has spent a few years at it and who has spent money, and once he has graduated and has his skill and his documents and cannnot get a job at all, should have some coverage. But at least the government has got it down to eight weeks, and the committee has agreed to eight weeks for a minor attachment claim. It takes longer than that for a major attachment claim. The minister no doubt will deal with that, but I think that to suggest it should be lengthened is not like my hon. friend.

• (4:20 p.m.)

Mr. Alexander: You should never trust me.

Mr. Knowles (Winnipeg North Centre): But I still have confidence in my hon. friend. He has been in character when he has been pleading for a better deal for the workers. I am just sorry he has proposed this amendment and, as he knows, we shall vote against it vigorously.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to say a few words about this amendment because I had trouble following the arguments of the hon. member for Hamilton West (Mr. Alexander).

As the previous speaker, I am surprised to note the difference of opinions about his two motions. The hon. member for Hamilton West suggests that the period of employment entitling to unemployment insurance benefits should be raised from eight as mentioned in the bill. to 12 weeks.

Mr. Speaker, I think that this period of eight weeks is acceptable. I did not have the opportunity to check all the clauses of the bill but I understand that this eight-week period will exclude the clauses of the legislation

providing for a period of benefits during the slack season. I believe this is so. In my opinion, if we extended this period to 12 weeks, as the hon. member for Hamilton West requests, we would have to bring in other changes to the law or leave as it is the present provision concerning the seasonal period.

In my opinion, it would be preferable to approve the proposal in the bill providing for an employment period of eight weeks only.

There is another point that was not mentioned in this debate. In the remarks on the white paper on unemployment insurance, the students' problem has quite often been referred to. For instance, someone asked what the white paper on unemployment insurance provided for students. Obviously, a youth who has just completed his studies is very seldom credited with contributions to unemployment insurance. But with this short qualifying employment period of eight weeks it will happen often enough that during the holiday period students will have been able to work for these eight weeks, even during a single vacation, and so will have accumulated enough contributions to be entitled to unemployment insurance benefits when their course is completed if they do not find immediate employment.

Thanks to these eight weeks of employment accumulated during the preceding vacation, students will be entitled to unemployment insurance benefits. If this period is extended to 12 weeks, they will be in difficulty.

This is why, Mr. Speaker, I must oppose the motion moved by the hon. member for Hamilton West (Mr. Alexander).

[*English*]

Mr. Charles H. Thomas (Moncton): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) sort of ridiculed the members of this party because we had fought for this amendment in the committee and had been beaten. He said the matter had been threshed over and therefore we should not discuss it again. If we follow that line of thinking, it means that once a member has lost any motion in this House he should never return to it, but I point out that the hon. member for Winnipeg North Centre has fought for the same motion year after year in this House—

Mr. Knowles (Winnipeg North Centre): Not when it's stupid.

Mr. Thomas (Moncton): It must have been stupid because the House has always turned it down. When a member is beaten in committee, that does not prevent him from presenting his argument to the House. Therefore, I have no hesitation on speaking on this motion. The same hon. member talked about this party being inconsistent. Mr. Speaker, if we appear to be inconsistent, it is only because the bill is so full of inconsistencies that one cannot talk about it without appearing to be inconsistent.

The minister has said that the basis of the bill is universality. Throughout the committee hearings members of this party pointed out instances where the government had departed from the principle of universality.

[Mr. Laprise.]

But I must admit that the minister, with a display of co-operative spirit, has granted us some of the things we sought. The bill makes provision for a certain attachment to the labour force. It refers to increasing benefits because people need more money due to the higher cost of living. There is also a reference to extending benefits to people who do not have a long attachment to the labour force. But on the other hand, the government says that we must lengthen the waiting period otherwise the provisions of the bill will cost too much money. Just how can you talk consistently on a bill which contains so many inconsistent principles? This is a most illogical and inconsistent piece of legislation.

I was one of the members in committee who spoke about the qualifying period. The hon. member for Hamilton West (Mr. Alexander) asked the officials to tell him the basis for the eight weeks qualifying period, and in reply they gave what in hockey is known as a judgment call. In other words, they decided that eight weeks was a nice sounding figure. My hon. friend was told that this was the same as in the present act. I do not agree with that. It is true that under the act a person must have eight weeks attachment in the current year, but there is a stimulation that he must have a bit more than that going back over 104 weeks. We asked the officials why it should not be ten weeks, 12 weeks or 14 weeks, and the answer was that if it were extended to ten weeks it would exclude many people from the benefits given by the act. I attended many of the committee hearings and I did not hear any logical explanation from anyone with respect to the eight week figure. Why couldn't it be ten weeks or 12 weeks? That is the question we want answered. If we had asked the officials why not reduce it to two weeks, the hon. member for Winnipeg North Centre would probably have said, hurrah. If the theory behind this legislation is that it is to look after all the people who are out of work, then why not reduce the period still further?

I do not want to be misquoted, as the hon. member for Hamilton West was, but I do want to express my belief that all the people who are out of work through no fault of their own should be looked after, but not all through the Unemployment Insurance Act. We have other general legislation. We have welfare legislation. Why destroy the whole intent of the Unemployment Insurance Act by extending much needed welfare through it to people who are out of work but who are not really in the labour force? When I say "not really in the labour force" I would like to give one or two examples of what reducing the work period to eight weeks can do. Take the example of a seasonally employed housewife, of a woman working in a department store at Christmas time. Her husband may be making $10,000 or $20,000 a year and not be in need of any assistance. If this clause is passed as it stands, the woman may work for eight weeks and draw benefits for 44 weeks. I am not going to quibble with my hon. friend from Winnipeg North Centre about whether this is $100 a week; to me the important thing is that by working for eight weeks she can draw benefits for 44 weeks.

• (4:30 p.m.)

I took this up with an official one day in committee because I thought I must be on the wrong track and I could not believe the answer he gave me. I asked, "As a matter of law, if a person works eight weeks a year, he can draw benefits for the other 44 weeks?" He said, "That's right". So then I asked, "Can a person go back to work for eight weeks the next year and draw benefits for another 44 weeks?" He said, "That's right". I cannot find the logic in this provision or understand how it can be called insurance or how such a person can conceivably be classed as a worker.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker—

The Acting Speaker (Mr. Laniel): Order. Is the hon. member for Abitibi (Mr. Laprise) rising on a question of privilege?

Mr. Laprise: Mr. Speaker, I am merely asking the hon. member if he would allow me a question.

[*English*]

Mr. Deputy Speaker: Does the hon. member for Moncton (Mr. Thomas) allow the hon. member a question?

Mr. Thomas (Moncton): Yes.

[*Translation*]

Mr. Laprise: Mr. Speaker, according to the hon. member, a person may work for only eight weeks each year and receive unemployment insurance benefits during 44 weeks. Could he tell us what would happen to the worker who lost his job through his own fault at the end of eight weeks?

[*English*]

Mr. Thomas (Moncton): No, Mr. Speaker, I cannot answer that question; that is up to the officials to decide. I am talking about a person who has the eight-week qualification. If all things break in his favour, he can draw benefits for 44 weeks and he can do the same thing the following year. The minister and I have had good natured exchanges on this point in committee. He said that he assumes all Canadian people are honest and not lazy. I agree with the minister but I qualify the word "all"; I say some Canadian people would take advantage of the regulations. There is an old saw that anything you get from the government is not stolen. That is what will happen here. People will feel that if they have satisfied the minimum requirement and have worked the eight weeks, they can draw the benefits for 44 weeks and be within the law. It is the same thing as taking advantage of the loopholes in the Income Tax Act; that is not regarded as breaking the law.

I differ with the minister on this point. The hon. member for Hamilton West made the point that if you dangle a carrot in front of a person's nose long enough he is going to snap it. I agree with him and that is what we are doing here. In most large cities, the department stores take on seasonal help. It is a common practice for people to work several weeks around Christmas time, and then get laid off so that they can curl all winter. These people then go back to work for another seven or eight weeks in the spring, and get laid off again so they can golf all summer. While it is true there is an enforcement section in the act, I am using this illustration to point out what will happen if the rewards are made great enough that people do not mind cheating a little; it is not dishonest, it is cheating.

Another thing that bothers me about reducing the period to eight weeks is how it will affect students. I asked the officials whether a student who works eight weeks this summer, goes back to college in the fall and is available for work again the following May probably for the balance of the year, could draw benefits as in the previous illustration. I was told that conceivably he could draw benefits up to 44 weeks. We all know the propensity of college students for travel and I can just see what will happen here. The student will say, "All right, I worked eight weeks last summer, I will take benefits for eight or twelve weeks and travel across the country". He can say that he will be available for work because he can get from Montreal to Toronto overnight if necessary. These are some of the abuses that can creep in when the plan is made so attractive. In committee one Liberal member said that we should be trying to help students. Of course we should, but this is not the way to do it. Let the government get the economy going to the point where we can give employment to students in summer and then they won't be tempted to take unemployment insurance benefits.

These are some of the reasons that I am in favour of this amendment to increase the qualifying period to 12 weeks, Mr. Speaker. I say again, it is only a judgment figure. I have not received any satisfactory explanation from the officials why eight weeks was chosen other than the fact that is the provision in the present act. I say it is not the same as the present act and, therefore, we could take any figure out of the hat. I feel that extending the period to 12 weeks, as my colleague has suggested in his amendment, would at least remove some of the dangers and ensure that those people who are applying for benefits are really in the labour force rather than just itinerant workers who work long enough to qualify and then draw benefits. By increasing the period to 12 weeks we would plug some of the loopholes that exist at the present time.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I wish to support the amendment proposed by the hon. member for Hamilton West (Mr. Alexander) because I believe it will help to restore to the proposed bill principles more in keeping with an insurance scheme than those measures now proposed by the government. In my opinion, the proposed act departs from the insurance principle by being universal and extending benefits to too many people who are basically not employed in the work force. If these people are to be assisted, and I think many of them should be, other vehicles are available and should be used to look after them.

Under the present Unemployment Insurance Act, and as stated on page 10 of the government's white paper on "Unemployment Insurance in the 70's", a claimant must have contributed to the unemployment insurance fund for at least 30 weeks over the preceding two 1-year period to qualify for benefits from it. The government now proposes to reduce this qualifying period or period of attachment to the labour force to eight weeks in any one year in order for a participant to receive benefits.

In its calculations of the cost of its new unemployment insurance plan, the government's financial assumptions were based on a national rate of unemployment of 4 per cent. Using this rate, it was estimated that the lowering of the eligibility period for the receipt of benefits would cost an extra 160 million dollars. Thus, even on a national basis of 4 per cent unemployment, a rate which we have not had for very nearly two years, by extending the proposed eligibility period from eight to 12 weeks, the government would be saving considerable money and could use it in other areas.

Even by increasing the eligibility period from eight to 12 weeks, Mr. Speaker, it will be entirely possible for someone to collect benefits from the unemployment insurance fund totally out of keeping with the government's publicly expressed desire to have an insurance scheme which will act as an incentive to work rather than the reverse. When one considers that most people in the country are engaged in tasks which are often unsatisfactory or unpleasant to them it seems to me that these people, with every good intention in the world, can use whatever means is available to make their lives happier.

• (4:40 p.m.)

As I recall, one of the reasons given during committee study of this bill for the government's removal of seasonal unemployment insurance benefits from the new act was that by lowering the eligibility period to eight weeks, a large measure of the need for seasonal unemployment insurance benefits would be eliminated. I would like to illustrate just how expensive an elimination this may well be by citing certain testimony which was brought out at the meeting of the Standing Committee on Labour, Manpower and Immigration on May 5. The example which I shall cite concerns someone who works for as few as eight weeks a year, thus making him eligible for the receipt of benefits under the proposed new Unemployment Insurance Act. If he earns $150 during each of these eight weeks and pays into the fund a mere $1.19 weekly in premiums, which is the proposed new premium rate for the maximum weekly insurable earnings, or $9.52 for the eight weeks in which he works, he can draw a total of $4,000 in benefits from the fund.

The following exchange of remarks occurred at the committee meeting on May 5 between the hon. member for Moncton (Mr. Thomas) and the general legal counsel to the unemployment insurance committee:

MR. THOMAS (MONCTON): All right. I think Mr. Alexander will have an amendment. I will ask Mr. Steele or Mr. Douglas, one of the officials about a claimant who has the minor entitlement of eight weeks. If he has the entitlement, how many weeks benefits could he actually draw if he qualified for all phases of the situation, if at all?

[Mr. Ritchie.]

MR. DOUGLAS: If he has the minimum?

MR. THOMAS (MONCTON): If he has the minimum of eight weeks what are the maximum benefits he could draw?

Mr. Douglas: He can draw eight weeks in his initial benefit period—

MR. THOMAS (MONCTON): Right.

MR. DOUGLAS: Ten additional in the extended, which is eighteen, then if the national rate is favourable to him, that is, over 5 per cent, he could draw eight more, but it would depend on the national rate of unemployment at the time he finished the ten. Then if the regional rate at the end of that period were favourable to him, if it exceeded the national rate by at least three points and was over 4 per cent, then he could go on for another eighteen. In most cases it will be a matter of his having the eighteen weeks plus some extended benefits.

MR. THOMAS (MONCTON): So if my arithmetic is correct, that gives a maximum of forty-four weeks, for eight weeks' work he could draw forty-four weeks benefits. He could work eight weeks this year, draw forty-four weeks benefits, conceivably he could work eight weeks next year and draw forty-four weeks benefits. Is that correct?

MR. DOUGLAS: It would be possible if everything worked right for him.

Considering the application of this provision to my own area, I would like to point out that there are many farmers who must leave the land at the ages of 50, 55 or 60. They are still in good physical condition. They usually are not attached to the labour force. A farmer helping his neighbour with planting and harvesting would work slightly over eight weeks; that is the usual period in western Canada. This person could qualify for benefits. If the conditions were right, he could conceivably draw benefits for 44 weeks. Generally speaking, these people are not part of the work force. However, with this provision, it would be to their advantage to pay unemployment insurance in order to qualify for the extended benefits. With this in mind, I believe that the eligibility period of eight weeks is too short. It should be extended to at least 12 weeks. I do not disagree that there are some people who only work eight weeks who are in need of some help to sustain them through the year. However, for those people who consistently work only eight weeks a year, some other means must be found to assist them. In any event, the maximum benefit of 44 weeks is not enough to see them through the year. Therefore, I hope the House will see its way clear to support this amendment.

[*Translation*]

Mr. Roch La Salle (Joliette): Mr. Speaker, I should like to make a few comments on the amendment.

I will say right away that I am not quite in agreement with the sponsor. One could ask: why not two, three, four, twelve or fifteen weeks?

To my mind, the bill in its present form really fits into the context. After listening to comments of some hon. members I am under the impression that there has not been sufficient recognition of the present context. The department is now making a commendable effort, in keeping with the unemployment problem we now face.

I also recognize that some individuals would be tempted to work only eight weeks to obtain benefits during 44

weeks. If I was assured that the bill would be in effect during 10, 15 or 20 years, I would probably object to such a clause. However, I think that the present situation was taken into account and considering the difficulties which we are experiencing—I imagine that it is always possible to annul the bill with the approval of the House—it is quite acceptable under the cirmumstances.

I wonder if it would not be advisable to ask the minister to consider seriously the situation, in order not to tempt workers to work eight weeks to be entitled to 44 weeks of benefits.

It would be to the advantage of the minister and the government to consider, in the future, requiring a given type of work for a given benefit. I believe that is where the problem lies. If we continue to increase unemployment insurance benefits, we are tempting the people and we are inviting them to take the line of least resistance. And that is dangerous.

Always within the present context, I believe that this clause is acceptable, but I must take advantage of this opportunity to tell the minister that any work that is of benefit to society should be considered. Municipalities and provinces would find it useful, I think, to enter into agreements with the federal government for certain projects that are urgently needed and that they cannot afford to carry out alone.

If we keep on constantly increasing unemployment insurance benefits and relaxing the requirements, we shall be responsible, for instance, for spoiling a generation because we are inviting them to abuse their rights. We must be careful not to allow the people to get the benefits too easily.

Considering the present context and the difficulties we know, this clause of the bill is acceptable in 1971 and I hope we shall be able through the co-operation of hon. members to set up some programs and projects in consultation with provinces and municipalities so that benefits will always be available.

We shall better serve the interests of the nation by ensuring a fair distribution of benefits, but it is still alarming and annoying for the people who work all their lives to see others collect benefits so easily.

Indeed, some workers wonder why they spend their lives working, year after year, while others manage to survive without doing so.

To my mind, even though they will be increased, unemployment benefits will still not be high for many people. I think most Canadian workers have more ambition than that and always try to work.

Still, the limit of eight weeks is logical. Surely, with a much lower rate of unemployment, we could perhaps increase these requirements to 12 or 15 weeks. But I believe that for the moment, these eight weeks are welcome and we will try and demand a minimum of work for the good of society rather than give more in return for lesser requirements.

In closing my remarks, I would say that I am in favour of the clause dealing with the qualifying period.

Unemployment Insurance Act, 1971

• (4:50 p.m.)

[*English*]

Mr. Robert C. Coates (Cumberland-Colchester North): I should like to take part in the debate for a few moments. First, I would indicate my full support for the amendments proposed by the hon. member for Hamilton West (Mr. Alexander). I commend him for the action he is taking in this regard. A great many politicians today seem to believe that anything which results in giving anything away is something they should support; they are most reluctant to speak out against it. My hon. friend has indicated both by his remarks and by his amendment that there are principles associated with the unemployment insurance scheme which must be adhered to, namely that the fund must not be subject to such a drain that it is again placed in the precarious position in which it found itself on several occasions in the past as a result of too many people drawing out large benefits as compared to the amounts paid in.

If eight weeks is all that is required before a worker qualifies for benefit, there is a real danger that the fund will prove to be actuarially unsound. The hon. member for Moncton (Mr. Thomas), has pointed out that a great many people who are not really full time labourers in the work force are drawing huge sums of money from the fund as compared with the contributions they made to it. It is all very well to extoll the virtues of the worker, to say he is honest, progressive and willing to work under any circumstances. I think it is probably true that most Canadians have those qualities. But if we ignore the fact that people will take advantage of any piece of government legislation, we show ourselves to be so naïve that we should not even be in this House. Because they will take advantage. They have taken advantage of the legislation which is on the statute books at the present time. The minister knows this as well as I do.

As parliamentarians, it is our obligation to the taxpayer and to the working man to pass legislation which eliminates this exploitation as far as possible. To make it a requirement that one should work for only two months in order to qualify for ten months' benefit does not really assist in keeping people in the labour force. In this day and age, we ought to do things which ensure that people stay in the labour force once they can find employment. It is difficult at this stage to talk about these things because there are a great many people who cannot get two months' work even if they wished to qualify. I can understand the hon. member for Winnipeg North Centre (Mr. Knowles) being concerned about this at the present stage of our affairs. But we hope this is only a short-term affair and that in the not-too-distant future there will be employment for those who wish to work in Canada, that the economy will be able to produce the employment needed. What I am saying is that if a person wants to work, he should be required to work at least for three months before he becomes eligible for unemployment insurance benefits.

I return to what the hon. member for Moncton said. He drew attention to the fact that there are a great many people who work part-time and who desire to work only

part-time. For example, there are university students who work in department stores and places like that which provide part-time employment. They will now find themselves in a position where they can work for two months and collect unemployment insurance for 44 weeks. If this is allowed to happen a very heavy strain will be placed on the fund and, as I say, it is likely to become actuarially unsound.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Laniel): Order. It being five o'clock it is my duty, pursuant to Standing Order 40, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Egmont (Mr. MacDonald)—Transport—review by government of ferry rate increases imposed by Canadian National Railways in Maritimes; the hon. member for Hillsborough (Mr. Macquarrie)—External Affairs—Request for statement on NATO foreign ministers meeting; the hon. member for Spadina (Mr. Ryan)—Housing—The Richmond Square project in Toronto.

[*Translation*]

ROYAL ASSENT

Mr. Deputy Speaker (Mr. Laniel): I have the honour to inform the House that the following communication has been received:

GOVERNMENT HOUSE
OTTAWA

10 June 1971

Sir,

I have the honour to inform you that the Right Honourable Gérald Fauteux, P.C., Chief Justice of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 10th of June, at 5.45 p.m. for the purpose of giving Royal Assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
Esmond Butler
Secretary to the Governor General.

[*English*]

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

• (5:00 p.m.)

PRIVATE BILLS

CENTRAL-DEL RIO OILS LIMITED

The House proceeded to the consideration of Bill S-12, respecting Central-Del Rio Oils Limited, as reported (without amendment) from the Standing Committee on Transport and Communications.

[Mr. Coates.]

Mr. Peters (for Mr. Skoberg) moved:

That Bill S-12, an act respecting Central-Del Rio Oils Limited, be amended by adding the following to clause 1 at line 27 on page 1:

"on the condition that sections 52 to 56 of the Bank Act apply to the company *mutatis mutandis*

notwithstanding the provisions of part I of the Canada Corporations Act."

He said: Mr. Speaker—

An hon. Member: Same old speech.

Mr. Peters: —those who believe in Canadian ownership and want to ensure that this country has Canadian ownership, particularly to preserve as such companies that are now Canadian, make the same old speech from time to time and those who are opposed, like some of my Liberal friends, either make a speech in favour of the sort of speech you would expect from those interested in selling. Then it all depends how much they can get for it; it is a tradeable commodity. I am happy to have my speech bear the stamp of "Same old speech" because we in this party have always been in favour of Canadian ownership and thus it is a pleasure to come before the House today to ask for certain considerations in this regard.

My colleague the hon. member for Moose Jaw (Mr. Skoberg) would want to indicate that we apply to this company the provisions of Sections 52 to 56 of the Bank Act that are laid out in the Canadian statutes. Because of expediency, as well as necessity, the Bank Act provided that foreign-owned banking institutions in this country would be permitted, but foreign-owned banks—and there was a small one in Canada at that time—were to be given a number of alternatives. The Bank Act also provided that a particular bank or company could decide whether it would remain a small investment organization in this country or, alternatively, take a ten-year period to expand very rapidly with the intention of disposing of their operation at the end of that time.

The Bank Act was worded in that way to permit an honest transfer of stock to Canadian shareholders. It allowed the company to make a reasonable profit on their banking ventures in Canada because for a ten-year period they were able to take advantage of expansions of the market and of the provisions of the act. Then they were given the opportunity to sell the operation at a reasonable profit. Those involved in passing the amendments to the Bank Act were of the opinion that the banking institutions of Canada were so important to our development and to the operation of this country as a nation that they wrote into the act these concessions in response to the decision that we had made that the banking institutions of Canada must at all times be under the control of the Parliament of Canada and must react in a predictable way to the policies of the Bank of Canada.

This has been an acceptable position. It is not the kind of position that would be taken in countries which nationalize industries for the sake of nationalization. It did allow for the orderly expansion of the operation concerned. If companies decided to remain in this coun-

try with modest growth so they would retain a very small portion of the financial market, then they would be able to do so. However, if they wanted to get the benefit of the normal financial expansion that they could expect if they were allowed to use their banking skills to increase their operations in Canada, then they could do so provided they sold the operation after ten years.

I agree with those who may speak on this subject later and say that the application of the Bank Act to this particular company does make for a ponderous type of legislation in that it takes into consideration some of the difficulties that develop in financial institutions, the fact that financial institutions often have lending problems that may extend over a period of years, and the difficulty of orderly liquidation in the market. This may not apply to this particular company, but we have had companies come before us which on a voluntary basis, with the prodding of the sponsor, the prodding of Members of Parliament and the knowledge of several other companies that they were operating in Canada in a field that was of importance to the development of the economy and resources of our nation, made the concession to members of this party, who for a long time have been interested in Canadian control of our development and of our institutions, that they would remain Canadian and would make this a condition of their incorporation.

There have been other companies—not numerous, unfortunately—which have voluntarily made the concession that if granted the incorporation they were asking for they would make a commitment to Parliament and to the corporate affairs department responsible for our corporate structure that if they did not become 50 per cent Canadian-owned, at the end of the ten-year period they would relinquish their charter and cease to exist as a corporate entity under federal law.

I admit that I do not know whether the corporate structure that we have established in Canada, particularly the provisions of the Corporations Act, has the machinery to ascertain in a meaningful way whether or not companies are Canadian. I am not sure whether companies are in a position to know whether 50 per cent of the stock is in the hands of Canadians normally resident in Canada or whether in their shareholdings there are holding companies which meet the criterion of Canadian-resident ownership yet are in fact controlled from outside the country. In my opinion we have not given consideration to devising a method of ascertaining the nominal control of a company through the stock procedures we allow in Canada. We do not have the machinery necessary to make this assessment and do something about it.

• (5:10 p.m.)

Representatives of this company appeared before the committee and made several commitments. I am not aware whether those commitments have been carried out. If you look at the *Financial Post* survey on oils for 1971 you find that this company has a number of wholly-owned subsidiaries, an interest in more than 705 million net acres of oil rights and 20 million net acres in oil and gas rights, chiefly in western and northern Canada. As of October, 1969, these companies had issued 20 million shares through Canadian Pacific Investments Limited for all the issued and outstanding shares of Canadian Pacific Oil and Gas Limited.

The purpose of this bill is to amalgamate Central-Del Rio Oils Limited and Canadian Pacific Oil and Gas Limited. They would be amalgamated under the Canada Corporations Act, with the shareholders' approval to be sought at a subsequent annual meeting. The shareholders of this company are at this stage, from my reading of—

Mr. Mahoney: Why don't you say it from memory?

Mr. Peters: I have not been closely connected with the oil industry long enough to name the board of directors without at least looking them up. I suppose the hon. member for Calgary South (Mr. Mahoney) could do this. He would say that former Premier Manning is probably a director of every oil company in western Canada. He has been well rewarded. I suppose he would say that Duff Roblin could reasonably be expected to be on the board of directors of this and every other oil company in western Canada.

Then it would become a little more difficult because you run out of premiers. In reading the list of the executive of various oil companies I cannot find the name of a former premier of Saskatchewan. This may be an oversight or it may reflect to some extent the policy of the Saskatchewan government and its interest in having Canadian ownership and Canadian rights in the hands of Canadians. This is particularly so in respect of oil companies on a provincial basis. I suppose the other provinces were not so fussy. In reading this list of directors I find the names of both gentleman whom I mentioned. It is interesting to note that the address of Hon. Duff Roblin is listed as Montreal, rather than Manitoba, but I presume it is the same person. It is also interesting to note that Mr. Taylor is president of this company and several subsidiaries.

It is surprising that a few years ago this company was almost entirely owned or controlled by Canadian Pacific Investments Limited, which was operating almost entirely on pension moneys of the workers of Canadian Pacific Railway. This very large sum of money represented Canadian investment of a very basic kind.

This bill was considered by the Standing Committee on Miscellaneous Private Bills and by the Standing Committee on Transport and Communications. It is to be noted that the Canadian Pacific Railway pension funds constituted, I suppose, a controlling interest in this company. Suddenly the fund did not appear to represent a major investment in this company. This fact gives rise to the problem referred to by the hon. member for Moose Jaw. He noticed that there was a change almost overnight. The fund did not represent a major investment in a Canadian-owned operation, but an operation held or controlled by another company.

We believe, as I hope some Liberals—

Mr. Bell: Don't count on it.

Mr. Peters: —and some Conservatives do, that a company which is involved in a resource-based industry in

this nation should play a very important role in the development of our natural resources. We also believe, as I am sure most members do, that if a company is Canadian-owned it will play a role consistent with the wishes and aspirations of the Canadian public at large.

I am well aware that we are asking a great deal of the people who control Canadian corporations operating our development industries, in that they operate side by side with United States corporations involved in industries of which they have no particular knowledge or interest except profit making. I am sure most members agree that a Canadian appointed as president, as we have in the case of Central-Del Rio Oils Limited, will be interested in ecology, conservation and the orderly development of a corporate structure operating in the resource fields and will represent to a greater extent the aspirations of the Canadian nation in this regard than will the president of a United States or a foreign-owned corporation.

There have been changes in the shareholders and in the operations of this company. Mr. Taylor, as president of Central-Del Rio, could not give the assurance that the shareholders would remain Canadian. He could not give a commitment that the board of directors would remain Canadian. I suggest that the decision to have this company under the control and direction of Canadian nationalists can only be made by Parliament. If we include in this bill those sections of the Bank Act which apply to control and ownership by foreign corporations we will have decided that as long as this corporation is under the Canada Corporations Act it will reflect the aspirations of Canadian nationals and will be controlled by Canadians.

• (5:20 p.m.)

I suggest that many members of this House would agree that Canadian ownership is an important factor in the development of a resource-based area. I refer particularly to hon. members who have been connected with the mining industry and the oil industry. They know that many companies which are buying up Canadian resources do not have any interest in the development of our natural resources. These companies have no interest in or knowledge of the development role they should play in terms of the relationship of the commodity they are producing to the needs of the nation.

When a United States company buys up or obtains control of such a corporation its only motive, and rightly so, is to derive a profit from the resource. Why should a large United States corporation not buy an oil company which will produce a return of 7 per cent, 8 per cent, 10 per cent or 12 per cent on its investment? Why should it be concerned about whether or not it is exploiting the country in which it operates? I do not blame these people a bit. But representing a portion of the Canadian people, I believe I have a responsibility to take every opportunity—and such opportunity arises when company incorporations come up for consideration—to ensure the retention of ownership of industry in the hands of the Canadian public.

There are those who have said, and correctly so, that many entrepreneurs in Canada are engaged in buying up

lucrative portfolios. They are not all foreigners. I have seen it in my own area, where Little Longlac gold mine—a little, two-bit company—moved into Kirkland Lake and bought the Lakeshore mine. This company drew out all the Lakeshore profits and closed the mine. I am not familiar with the company or its board of directors, but I can say they are as much scavengers as any foreign-owned company could be. I want to curtail that kind of operation in respect of any company which comes before us, particularly in the area of our resources. For this reason I commend and support the amendment of the hon. member for Moose Jaw.

Mr. John Gilbert (Broadview): Mr. Speaker, it could be said that we are pouring oil on troubled waters, but you know from past experience that when my colleagues in the New Democratic Party speak on this subject, they speak with persuasiveness and strength. The amendment moved by the hon. member for Moose Jaw (Mr. Skoberg) is very important, not only to the members of the New Democratic Party but to Canadians at large. I am delighted to see the Parliamentary Secretary to the Minister of Finance (Mr. Mahoney) in the House, because he comes from Calgary, Alberta. I am also delighted to see our football star, who is also a member from Calgary. I am sure they wish to participate in this debate.

Mr. Paproski: On a question of privilege, Mr. Speaker, I am not from Calgary but, rather, from Edmonton.

Mr. Gilbert: I apologize to the hon. member. I am sure these gentlemen will listen very attentively to the comments of my colleagues and will probably participate in the debate.

Mr. Speaker, I should like to present an historical and constructive point of view on this matter. I recall in the early 1960s a voice from the wilderness. I refer to Walter Gordon who sensed the problem of Canadian ownership. He wrote a book. He attempted to take some action because he appreciated the problem of foreign ownership. Unfortunately, his voice was not heard. He left the Liberal cabinet. The result is that we have seen an increasing trend toward foreign ownership. I shall not repeat in detail the tremendous United States and foreign penetration that has taken place in the Canadian economy, particularly in oil fields and natural resources. Surely the Parliamentary Secretary to the Minister of Finance could do it far more ably than I and I am sure he will be glad to do it.

On its face this bill would appear to be innocent. According to the explanatory notes the purpose is simply to permit the company to be continued as a company incorporated under the Canada Corporations Act. Then the explanatory notes read.

> The company will be permitted to carry out in Canada its existing objects. If the shareholders approve of an application to continue the company as a company incorporated under the Canada Corporations Act, any amalgamation agreement thereafter adopted by the shareholders shall be deemed to be an amalgamation agreement for the purposes of such act, provided that the agreement complies with certain requirements of section 128A of such act.

Mr. Speaker, the hon. member for Timiskaming (Mr. Peters) pointed out the valiant attempts this party has made to retain Canadian content in companies and more especially companies which may be subject to foreign control. The easy approach to this question would be for the Minister of Consumer and Corporate Affairs (Mr. Basford) to bring forward an amendment to the Canada Corporations Act which would include what is set forth in the Bank Act, which is the substance of the amendment of the hon. member for Moose Jaw.

When I came here in 1965 I was made a member of the finance committee when it was studying the Bank Act. The question of foreign ownership came up because of the operations of the Mercantile Bank in Canada. I recall the Minister of Labour playing his usual important part in going down to New York and speaking to Mr. Rockefeller. He pointed out to him how necessary it was to retain Canadian ownership of our banks. The result was that Mr. Rockefeller appeared before the committee and gave evidence.

Then amendments were made to sections 52 to 57 of the Bank Act to the effect that any non-resident may hold up to 10 per cent of the shares in a Canadian bank, but that the total number of shares of a non-resident may not exceed 25 per cent. We in the New Democratic Party feel that although other measures should be taken to regain control of our economy, the measure set forth by the hon. member for Moose Jaw is a step in the right direction. In other words, if it is good enough for the banks it should be good enough for other Canadian companies. This is why the amendment has been brought forward. When the hon. member attempted to bring it forward in the committee he was met with strong objection from some members and did not have the opportunity to present it. The reason he is bringing it forth is to persuade hon. members that it is a vital amendment which should receive the acceptance of all members of the House.

• (5:30 p.m.)

On various occasions I have asked the Minister of National Revenue (Mr. Gray) when he will bring forth his report concerning foreign ownership. He has, to put it midly, delayed making a definite commitment on when this legislation will be brought forth. I, like many Canadians, feel that by the time it is brought forth we will be in a far worse position regarding foreign ownership in Canada than we are today, because foreign penetration is increasing rapidly.

As the former leader of my party puts it, we do not mind our U.S. cousins coming to Canada to visit us, but we would like to stay in the house rather than move to the garage. It appears that Canadians are being moved to the garage while our guests are taking over control of the house. That trend should be stopped. When the Minister of Finance (Mr. Benson) brings forth his budget on Friday, June 18, I am sure he will have in mind the tax impact that oil companies have on the Canadian economy. When you study the effects that our tax laws have on oil companies, with their tax holidays, depletion allowances and all the advantages that accrue to them, you realize how important it is not only to change the tax laws but to change the corporate laws of our country to protect Canadian ownership.

I notice that the parliamentary secretary is listening attentively. He has a wealth of information and experience and I am sure he looks forward to the budget and to what may happen with regard to oil companies and the tax policy. But more important than that is the key question of ownership. I have yet to discover any country that has laws which permit the penetration into their economy that prevails in Canada. When you look at Sweden and Japan you see that when they borrow money for purposes of developing their economy they do it on a loan capital basis rather than on an equity basis. It is high time that we in Canada took the same approach.

If a commentary were written about the former Premier of Alberta, it would be much like that written of Esau—that he sold the natural resources of Canada for a mess of pottage. As Canadians we should see that Esau's conduct is not repeated in Canada; and the former Premier of Alberta being rewarded with a seat in the Senate is not what Canadians want. That is why the hon. member for Moose Jaw is to be commended for his approach to this problem.

I note that the former Solicitor General is present. He has been in the House for more than 30 years and has greatly contributed to the well-being of Canadians. He has been in the forefront of many social measures and I am sure that if he were given the opportunity to become Minister of Finance one of the first steps he would take would be to impose tax laws which would protect Canadian ownership. If he were Minister of Consumer and Corporate Affairs I am sure the first step he would take would be to adopt the same approach that we took under the Bank Act and have it applied *mutatis mutandis*. The hon. member knows the real meaning of that phrase; it means "to the same effect"—not only to the Bank Act but to the Corporations Act.

Mr. Knowles (Winnipeg North Centre): It means tit for tat.

Mr. Gilbert: I believe the hon. member for Edmonton Centre (Mr. Paproski) is asking what I mean by *mutatis mutandis*. It is a legal, Latin phrase which has an important meaning. The meaning that we want to apply here is the one included in the Bank Act, that a non-resident of Canada should be confined to 10 per cent of the ownership of a Canadian company and ownership by a group of non-residents should not exceed 25 per cent.

I am sure it is not necessary for me to continue. The hon. member for Timiskaming has been so persuasive that I feel I am being repetitive. I am sure that other hon. members will support us.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I wish to speak on Bill S-12, an act respecting Central-Del Rio Oils Limited. In reading the legislation I believe there are several points which should be put on record. Anyone checking the record of the committee proceedings which

took place on May 20, 1971—the Standing Committee on Transport and Communications—will understand why members of my party are apprehensive about the way in which the bill is presently drafted.

We are seeking an amendment to the legislation which will guarantee that this corporation will remain under Canadian control. We do not have to apologize to anyone for the fight we are putting up for Canadian control of our economy. We have been talking about it ever since our party was formed. We will continue to preach this philosophy until Canadians wake up to the fact that we are rapidly losing control of our economy and that once you lose control of your economy, you also lose political control.

I would like to tell members of the House what Central-Del Rio Oils Limited really is and the extent of its holdings in Canada. Questions were asked in the committee of those who were presenting the bill and I should like to read into the record part of the proceedings of the committee. Mr. Beaven was speaking. He spoke about Central-Del Rio Oils Limited and said:

> Mr. Chairman, I have some figures here. Central-Del Rio Oils Limited is controlled to the extent of 89.27 per cent by Canadian Pacific Investments Limited, which in turn is a subsidiary of the Canadian Pacific Railway Company. Our shareholdings are divided as follows. This was at December 11, 1970, and there has been no significant change. We had a total of 8,374 shareholders, of which approximately 7,200 were corporations and individuals resident in Canada holding in the aggregate just about 30 million shares out of an issue of about 30.5 million. We had 999 shareholders who were individuals and corporations resident in the United States holding in the aggregate 390,000 shares. This is out of 30 million shares. The remaining 128 shareholders were individuals and corporations residing outside of Canada and the United States and holding in the aggregate 319,000 shares. So, of the just over 30 million shares which are issued and outstanding, 29,800,000 are held by residents of Canada.

• (5:40 p.m.)

That is a very satisfying statement and no one would object to it. It is an excellent record and we want to see it maintained. The following question was asked by the hon. member for Moose Jaw (Mr. Skoberg):

> What assurance is there in the bill before us that this company, your Central-Del Rio, would not become predominantly owned by U.S. shareholders or outside shareholders—I will not say U.S.; I will say shareholders outside of Canada? Is there anything in the bill right now before us that would spell out in clarity that this company will remain predominantly owned by Canadian investors?

The answer by Mr. Taylor was:

> No, there is nothing in the bill which spells out that. We cannot give our firm assurance that we will not have foreign shareholders so long as we are listed on the Toronto, Montreal, Calgary and Vancouver stock exchanges. But we can give you the assurance that the ownership in the company by Canadian Pacific Investments will never be less than an appreciable percentage above 50 per cent.

This is the very point that our members are trying to make. While the company is predominantly owned by shareholders in Canada, there is absolutely no guarantee that this situation will remain unchanged. That is the crux of the debate and gave rise to the amendment we have placed before the House. In the context of that answer I should like to read the amendment:

> That Bill S-12, an act respecting Central-Del Rio Oils Limited, be amended by adding the following to clause 1 at line 27 on page 1:
>
> "on the condition that sections 52 to 56 of the Bank Act apply to the company *mutatis mutandis* notwithstanding the provisions of part I of the Canada Corporations Act."

What does this mean? It means that if the amendment is accepted we will never lose Canadian control of this company. This is something in which all members of the House should be interested. We should be taking steps to make certain that Canadian control is retained over a corporation such as this. We have had debates in this House about Canadian ownership. Those debates will continue. They will spill over into the next election campaign. The Canadian people are beginning to realize that this is one of the major issues facing our nation.

As has already been pointed out, much of the resource development that should be taking place in Canada is not taking place, principally because we have lost control of the resource-based industries. Canada is used as a supply house for industries which are located elsewhere. When bills such as this come before the House of Commons we will seek amendment of them to assure retention of Canadian control of our natural resources.

Anyone who notes the tremendous acreage controlled by this company must be alarmed. We must take the necessary precautions to ensure that it remains under Canadian control. The hon. member for Timiskaming (Mr. Peters) told us about some of the holdings which the company has in northern Canada. I understand it is one of the group participating with Panarctic Oils in the exploration of the Arctic Islands, and just the other day we learned that one of the biggest gas finds in history was made in the north. Foreign corporations must be interested when they see that a company like this has an interest in that kind of discovery. It is up to us as Canadians to protect the company.

There are one or two other points that I would like to make with respect to this company's holdings in the various provinces. Again I shall quote from the committee proceedings. Those who appeared on behalf of the company were asked what holdings they had in the province of Saskatchewan, for example. This passage is recorded in the minutes of May 20:

• (5:50 p.m.)

> —I see that under the affiliated company, Minerals Limited, Saskatchewan Incorporated owns 20 per cent of the minerals underlying approximately 750,000 acres—

Mr. Speaker: Order, please.

THE ROYAL ASSENT

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

> Mr. Speaker, the Right Honourable the Deputy Governor General desires the immediate attendance of this honourable House in the chamber of the honourable the Senate.

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

• (6:00 p.m.)

And being returned:

Mr. Speaker informed the House that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An act respecting the packaging, labelling, sale, importation and advertising of prepackaged and certain other products

An act respecting the consolidation of the Income Tax Act in the printed roll of the Revised Statutes of Canada, 1970

An act to implement a Supplementary Income Tax Convention betweeen Canada and Finland

An act to amend the Prime Minister's Residence Act

An act respecting the organization of the government of Canada and matters related or incidental thereto

An act to amend the Senate and House of Commons Act, the Members of Parliament Retiring Allowances Act, and an act to make provision for the retirement of members of the Senate

Mr. Speaker: It being after six o'clock, I do now leave the chair. This House stands adjourned until 8 p.m.

At 6.05 p.m. the House took recess.

AFTER RECESS

The House resumed at 8 p.m.

GOVERNMENT ORDERS

UNEMPLOYMENT INSURANCE ACT

PROVISIONS RESPECTING INSURABLE EMPLOYMENT, COMMISSION, BENEFITS, PREMIUMS, ADMINISTRATION, ETC.

The House resumed consideration of Bill C-229, respecting unemployment insurance in Canada, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, before five o'clock we were discussing amendment No. 6 and amendment No. 21 which, if adopted by the House, would have the effect of increasing the eight-week qualifying period to 12 weeks. These amendments were introduced by the hon. member for Hamilton West (Mr. Alexander).

Mr. Woolliams: West, not Wentworth.

Mr. Mackasey: I must say the hon. member for Hamilton West does have one thing going for him that few of us have and that is that he is a very charming person.

Mr. Alexander: So far, so good.

Mr. Mackasey: I am always at a tremendous disadvantage in debating with charming people. I have been sitting here quietly admiring his technique most of the afternoon. He is one of the few members who can, with some confidence in success, play both sides of the street when it comes to moving amendments. Both he and the hon. member for Moncton (Mr. Thomas) are very knowledgeable persons by reason of their active participation in the committee.

The hon. member for Moncton has suggested that this bill is not consistent. Although I think that is a matter of opinion, I would suggest that any amendments that have been brought in today have done nothing to remove the inconsistency if there is one. A good example of this is when on one hand we suggest a reduction of the two-week waiting period to one week, at a cost of $160 million or more, and then two minutes later introduce another amendment which would in effect negate what the original amendment was supposed to be doing, namely, help the workers, by increasing the qualifying period from eight weeks to 12 weeks. This would mean that several hundred thousand workers every year who had eight weeks qualifying attachment to the work force but less than 12 weeks—be it 9, 10 or 11 weeks—would not qualify for benefits. We have estimated that this would affect a quarter of a million people who through no fault of their own find themselves temporarily without earnings and who would be ineligible for unemployment insurance.

We talked today about a question of judgment. Before we get into that question I think the whole of this proposed program, as opposed to the basic philosophy of the present program, was to insure members of the work force against the probability of financial loss on those occasions when they are temporarily without work. This is fundamentally different from the old plan where, in effect, your number of weeks benefit was geared or related to your work attachment. In other words, more often than not under the existing plan the people best able to survive or to exist without any income usually find that unemployment insurance benefits come more easily to them and for longer periods than those who need them more by reason of their underemployment or the fact that they are in and out of the work force fairly frequently.

What has pleased me in all of the contributions made in respect of this amendment is that all hon. members have said, I am sure sincerely, that the average Canadian is not lazy. Certainly I have never heard the hon. member for Hamilton West make such a statement and I am sure it would be a distortion of his words if it appeared in print that way. Nevertheless, I wholeheartedly agree with the hon. member for Moncton that human nature being what it is, some people will try to abuse unemployment insurance no matter what the qualifying period is.

To say, for example, that a person who has eight weeks attachment to the work force and then stops work and draws benefit for 44 weeks is to oversimplify the plan. It is true that some people with eight weeks attachment to the work force could draw 44 weeks under certain conditions. The same is true of a man with 9, 10, 11 or 12 weeks attachment. But if you had eight weeks attachment you could easily plan your work pattern to stop at, say, 12 weeks and then draw 44 weeks benefit.

The hon. member for Dauphin (Mr. Ritchie) got a little excited about that proposition.

However, I do not think that life insurance, for example, is any less consistent in its approach. After all, a man could be unfortunate enough to drop dead after paying the first premium. What we are saying in this bill, in effect, is that there will be some members of the work force who after 8, 9, 10, 11 or 12 weeks in the work force may be unfortunate enough to find themselves out of work and will draw benefits. However, since the plan is actuarially sound, the probability of this happening is such that, in general, due to the universal coverage of the fund we will be able to absorb the payment of benefits to the number of people who could theoretically draw from the fund for 44 weeks following an initial eight weeks attachment.

I am sure that no one wants to leave the wrong impression on the record. I must underline that you do not automatically draw 44 weeks' benefits after an attachment to the work force of eight weeks. You are entitled to eight weeks' benefits, but from there on it all depends on the economic conditions in the particular region of the country concerned. Since we are trying to help a person financially during the period in which he is out of work, it is only logical that we should extend the period of benefit in relationship to the probability of that person being reabsorbed into the work force. The probability of his being absorbed into the work force is directly related to the rate of unemployment in the country and in his particular community.

All other things being equal, people are better working than not working. I have met very few people who would rather draw unemployment insurance than work. Perhaps I am naïve or idealistic, but I am of the view—and most hon. members have said the same thing—that the overwhelming majority of Canadians are honest. We must not lose sight of the fact that a man who quits work at the end of the eighth week has a waiting period, one some hon. members think is too long, before he can draw benefits. He must be interviewed and be ready, willing and able to work. He will be subject to the discipline of the Unemployment Insurance Commission and to the spot checks that they make and to visits to the home.

Neither can we lose sight of the fact that 86,000 people last year were disqualified because they were not ready, willing and able to work. Indeed, the Unemployment Insurance Commission are doing their job zealously, to the point that at times we are asked whether they are not being overzealous in making sure that only people eligible for unemployment insurance draw from the fund.

Then the question came up as to why we had chosen eight weeks and not 12. When we put together our model on the computers when this plan was first visualized, we took a sampling of some 250,000 people in the work force. The economists, both internal economists and those hired to work with the group, worked on this model of 250,000 as representative of the five million people in the work force, which is a larger than average sampling for this type of study. As a result of this sampling we found that with eight weeks we were able to do all the things we wanted to do in the act with regard to the relationship between benefits and salaries, periodical extensions of the benefit structure in relation to the unemployment pattern in the country, sickness and maternity benefits, and so on. All these proposals are feasible with an eight weeks attachment period to the work force.

Let me come back to make the point that if the period were set at 12 weeks it would not in any way reduce the number of people who are dishonest enough intentionally to try to defraud the fund. We have other ways of preventing this. Neither would such a period in any way change the system of interviews or the necessity for people to be ready, willing and able to work. No one knows when spot checks will be made or when telephone calls will be put through to find out whether a man is in or out of the city, or is ready, willing and able to do a job that Manpower may have available for him.

• (8:20 p.m.)

It is not just a matter of being attached to the work force for eight weeks and deciding to draw benefits for 44 weeks. It means attached to the work force for at least eight weeks and then being legitimately unemployed. That means waiting two weeks and drawing benefits for eight weeks. It means that at the end of eight weeks the situation is assessed and evaluated in light of unemployment figures in the region and in the nation, then assessing the probabilities of the man finding work with that rate of unemployment. If, according to the formula, it is highly probable that work is not easy to find because of the burden of unemployment, this is taken into consideration and the period is extended. It is not fair on the part of hon. members to leave on the record the presumption that one can automatically draw 44 weeks' benefits.

We then get into the question of students. This is a problem in our country and it is hard to rationalize the arguments I sometimes hear against students drawing unemployment insurance, as though they were second-class citizens. They are not. If a student leaves university in May and goes to work in a legitimate business the same as his father, brother or people in the normal work force, pays unemployment insurance, goes back to university in the fall and comes back to the work force the following May and cannot find work, provided he has the specified attachment—which is eight weeks or more—there is no reason why he should not draw unemployment insurance just because he happens to be a student eight months of the year. If we find work for him, he must work. If he is not ready, willing and able to work, then he does not draw unemployment insurance.

If students want to travel across Canada, take advantage of other forms of summer activities, go to Europe or do one of the many things students want to do today, they are not eligible for unemployment insurance. On the other hand, if they want to stay and are eligible for work, ready, willing and able, and society cannot provide them with jobs, it is not the fault of the students. If they have paid their stamps and are eligible in every other way, shape and form, there is no reason why they should not be allowed to draw unemployment insurance like every other citizen in this country.

Some hon. Members: Hear, hear!

Mr. Mackasey: I find nothing wrong or ridiculous about this. I think it will go a long way to help provide some form of income for students who are not as affluent as others and who do not have wealthy fathers to provide pin money.

Mr. Alexander: Don't look at me.

Mr. Mackasey: I am disqualifying myself by saying "wealthy fathers." I think we all know that some people are more affluent than others. This will, incidentally, answer the question about students graduating or coming out of teachers college after two years, who work for the summer months and go back to university. If they are unable to again join the work force the following summer, they should draw unemployment insurance in relation, of course, to the number of weeks to which they are entitled.

I do not want to become too political about this. but I should point out to the hon. member for Hamilton West that you cannot have it all ways. You cannot in one amendment reflect the thinking of the CMA, in the next amendment reflect the thinking of the CLC and in the next amendment reflect the thinking of the Chamber of Commerce. If you have a philosophy it should be consistent all through your amendments. Let me say this to the hon. member for Winnipeg North Centre (Mr. Knowles). His philosophy or ideology may not be the same as ours, but at least he is consistent. I think consistency is a virtue in this day and age.

Let me say in conclusion that I think there is nothing wrong with the eight-week waiting period. I listened objectively today for one good reason why the amendment should be accepted, making the eligibility period 12 weeks instead of eight weeks. There is nothing in this to offset many of the possible abuses mentioned during the debate. The amendment does nothing to prevent a dishonest person attempting to defraud the fund. At the end of eight weeks he would be as dishonest as he would be at the end of 12. He may just have to wait longer to try his luck.

I think the eight weeks period makes sense, particularly in light of the large work force in Canada and the fact that so many young people are coming into the work force for the first time. Our experience over the last five years indicates that several hundred thousand workers each year are ineligible for unemployment insurance because they have not accumulated a sufficiently long attachment to the work force to be eligible.

We have a tendency to criticize our welfare agencies. We should be honest about the alternative to unemployment insurance. If you are not eligible and have no other income, there is the Canada Assistance Plan. If you draw money from the Canada Assistance Plan you become a financial burden upon your community, the towns and cities, and you become a financial burden on the province which pays half the cost of the Canada Assistance Plan. It is very difficult for young men to find work even under the best of circumstances. It is twice as hard if at the same time they are living on welfare. I think we all know and agree with that.

One of the legitimate features of this plan is that it at least postpones the day when you have to turn to the Canada Assistance Plan for financial assistance. It postpones the day by providing higher benefits with easier eligibility. In this way we give a man an opportunity to seek work while he still has the dignity of an income. Welfare should not be looked down upon by society, but unfortunately it is.

I would ask the House to reject the amendments proposed by the hon. member for Hamilton West.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, I always like to hear my good friend the Minister of Labour (Mr. Mackasey) take part in a debate because he has the ability of being very personable and being loved by all sides. He is one of those fellows who, when he sees the debate going one way and needs a little support, analyses the philosophy of an hon. member or a party and then makes a great appeal and is very complimentary, as he was with one member, although he was somewhat critical of another.

I am not worried about being personable in my feeling about the question of eight weeks or 12 weeks as the attachment period. What I am concerned about is the hypocrisy in calling this act an Unemployment Insurance Act. I listened this afternoon to the Minister of Labour and other hon. members speaking about insurance. As I understand insurance, when you pay the premium you are insured. After you have paid a few premiums and the commission to the agent—and I never overlook that—you are insured and your policy will build up a cash value.

An hon. Member: That is private insurance.

Mr. Woolliams: I am talking about private insurance. That is what the Minister of Labour was talking about. What the Minister has done under this act is include a lot of people to pay for the plan. That is why there should be a 12-week period rather than an eight-week period. He is bringing in a lot of people who will never benefit. When one takes out life insurance—there are various types of plans, which I am not here to discuss—you are gambling with the company as to whether you are going to live. You build up a cash value and dividends, unless it is short-term and that is very cheap insurance. Right from the beginning of the old plan, thousands of Canadians who have contributed have never drawn a dollar.

The Acting Speaker (Mr. Laniel): Order, please. The Chair fails to understand how the hon. member's remarks can be related to the amendment now before the House. He seems to be debating the bill generally. I hope he will come back to the amendment.

Mr. Woolliams: I will help you to comprehend my argument, Mr. Speaker. I will read the clause so that even the Chair will appreciate it. Perhaps then the House

will appreciate what we are talking about. Clause 17 provides, and this is what we are talking about:

An insured person qualifies to receive benefits under this act if he (a) has had eight or more weeks of insurable employment in his qualifying period—

When you shorten the time, the plan will cost more because you are bringing more people under it. That is the point I am making and that is the argument I am answering so far as the Minister of Labour is concerned. I am sorry if the Chair thought my remarks were not relevant. I am saying that by extending this plan you are bringing in school teachers and other people who have never been under it before, including thousands and thousands of Canadians who will never draw a dollar out of the fund.

• (8:30 p.m.)

The hon. member for Hamilton West is attempting to ease the problem by changing the period from 8 weeks to 12 weeks. It will cost the country less money, because under the policies of this government—I hope you think this is relevant, Mr. Speaker—if people are unemployed, whether they have 8 weeks or 12 weeks they will be on unemployment insurance for some time. The percentage of unemployment is so high at this time that a large number of people will need help under this act, and when they run out of benefits they will require social assistance. As I see it, the reason for the amendment is to make the act as reasonable as possible. The Minister of Labour is bringing in thousands and thousands of Canadians who will never benefit. Do you think the teachers of the country want this legislation, or the nurses—

Mr. Mackasey: Yes.

Mr. Woolliams: The minister says yes. His mail is different from mine. I am prepared to send him 3,000 or 4,000 answers to questions I asked of school teachers and others. These people have not been covered and do not want coverage. This amendment is really an attempt to relieve the situation; that is the purpose behind it. The Minister of Labour talks about an insurance plan, when it would seem to me that he is bringing in a new tax. I say to the members of the NDP that there will be less take-home pay for many of the people they represent. There will also be less profit to people who hire workers, and there will be a higher cost to the consumer. If the NDP wants to go for a higher cost to the consumer, then I agree with what one minister said the other day, namely, that you cannot have it both ways. If you increase the cost of production, you have to increase the cost to the producer.

Mr. Gilbert: Very little.

Mr. Woolliams: The hon. member says, "Very little". Let us get down to sound economics. We change the Canada Pension Plan, we increase the surtax and income tax, we increase unemployment insurance deductions from industrial concerns and management, and then we increase the cost of labour, widen the scope and increase taxes.

[Mr. Woolliams.]

Mr. Barnett: Mr. Speaker, would the hon. member permit a question?

Mr. Woolliams: Certainly.

Mr. Barnett: Would the hon. member explain, for my benefit, how there is a difference in the cost to the consumer between paying under an insurance plan and paying taxes levied under a welfare plan, if he is talking about the total cost to our society?

Mr. Woolliams: That is one of the most intelligent questions that has been asked. So long as this government is creating unemployment, I agree that there is not much difference. But let us not play games. This is not an insurance plan at all; it is really a new system of taxing the Canadian people. This is the point I am making. I see an hon. member opposite shake his head. He shakes his head whenever anyone on this side speaks. If the Prime Minister (Mr. Trudeau) told him at supper time to go for a swim, he would go for a swim. I am glad the big fellow, the acting House leader, has left because he can never understand logic.

With reference to the amendment, when you increase the period from 8 weeks to 12 weeks at least you are cutting down the cost of this kind of insurance, if you can call it insurance at all. So it is basically a compromise between the position of the minister and the position of the hon. member for Hamilton West (Mr. Alexander). Let us make no mistake about it: this is a brand new tax against Canadians—not only against the workers but against the employers. That is what it is all about. This legislation is dragged in to cover up unemployment caused deliberately by the nineteenth century economic policies of the government.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, I should like to speak very briefly on this amendment. At the outset may I say that I intend to oppose the amendment brought in by the hon. member for Hamilton West (Mr. Alexander). It does not make any sense to tell the unemployed of Canada that we are bringing in a new act in which the limit is set at eight weeks after which they can draw benefits, and then have someone tell us it should be increased to 12 weeks. I believe the question asked was very much to the point. If people who are unemployed do not receive money from unemployment insurance, they will obtain it from welfare. Don't try to kid yourselves that this money will not come out of the pockets of the taxpayers.

An hon. Member: That is what we are saying.

Mr. Harding: We believe that if a worker can receive some income from the unemployment insurance fund or pension scheme it is much better for him to have this money as of right than to get it from welfare. This is something the workers understand. They at least have tried to work and have made their contribution to the fund, and this money should come to them as of right. Whether or not the members of the Conservative party understand it, there is a big difference between welfare and unemployment insurance.

Mr. Woolliams: Mr. Speaker, would the hon. member permit a question?

Mr. Harding: Yes.

Mr. Woolliams: Does he not think there is a group of workers in this country, including teachers, registered nurses and others, who would probably never benefit under this act, and that other people who made payments under the old act—I am not making anything of that—endorse this act and its changes and want to pay into the fund? I will put a second question. Would it not be better to say that we will increase income tax and in that way be honest about it, because it really is not insurance at all but a new tax policy?

The Acting Speaker (Mr. Laniel): Order, please. The Chair fails to understand how the question is relevant to the amendment before the House. The Chair cannot allow the hon. member for Kootenay West (Mr. Harding) to answer the question.

Mr. Woolliams: Mr. Speaker, I rise on a point of order. The change here is from 8 weeks to 12 weeks, so the cost is less. If the cost is more, more people must be included in order to pay for it. It is that simple. I would hope the Chair would appreciate that. That is the question I put to the hon. member. Surely it is plain and clear, and should even be clear to you, Sir.

The Acting Speaker (Mr. Laniel): The Chair appreciates the point made by the hon. member for Calgary North (Mr. Woolliams), but it is the Chair which must make the final decisions in this House. It is a question of appreciation, and the Chair has decided that the question put by the hon. member does not meet the requirements of the procedures of this House; it does not relate to the very specific amendment before the House. If this question were to be allowed we would be opening the door in respect of any amendments and would be introducing a new procedure. Therefore, the only choice I have is to ask the hon. member for Kootenay West to pursue his remarks.

• (8:40 p.m.)

Mr. Harding: There are only a few comments I wish to make. The impression was left earlier that all some workers had to do was work for eight weeks and somehow or other they would be laid off, following which they would be able to draw benefits for the balance of the year. The minister has very ably explained the situation in which unemployed workers will receive benefits. I will not repeat it, but I want to make my position crystal clear. The impression has been left that the maximum amount is $100 a week under this legislation, but the number of unemployed workers receiving $100 a week will be very limited. A vast number of unemployed people will be much below the $7,800 a year income bracket which would give them the $100 a week benefit.

There is another point which I do not think has been made by anyone else in this debate. For the first time, unemployed workers have to pay income tax on their benefits. This takes another big chunk out of the increased benefits which they will receive under the legislation. The point I am making is that the benefits which people will receive after eight weeks or more will certainly not be all gravy because there are taxes and charges against them. They have to pay the unemployment insurance contribution.

To leave the impression that workers will deliberately leave a job to draw unemployment insurance is wrong: I think it is an unfair statement to make about the Canadian work force. It does not matter where you go, whether it is in business or any other industrial activity there is always someone who will swing the lead, but generally the vast majority of our people want jobs; they will work if they can get jobs. This is the kind of protection that we should give to the working people of Canada. I am surprised that the Tory party would bring in such an amendment at this time when there are vast numbers of unemployed in our nation. I have no hesitation in saying that I intend to vote against the amendment.

Mr. John Gilbert (Broadview): Mr. Speaker, after listening to the persuasive arguments of the Minister of Labour (Mr. Mackasey) and of the last speaker, the hon. member for Kootenay West (Mr. Harding), I shall take only a few minutes to speak against the amendment.

I have heard the hon. member for Calgary North (Mr. Woolliams) try to compare private insurance with unemployment insurance. In trying to draw an analogy he pointed out that private life insurance includes protection and savings. The immediate question that arose in my mind was, what happens to the savings when a person dies? He never collects them. The only time he collects his savings under a life insurance plan is when he surrenders the policy during his lifetime. This is one of the harsh criticisms which should be made against life insurance companies. It is term insurance, it is protection; and this act provides protection.

May I give my wonderful friend, the hon. member for Hamilton West (Mr. Alexander), a little bit of political advice and remind him that back in 1948 when we attempted to pass one of the main social measures in Canada, namely the family allowance legislation, the leader of his party called it iniquitous.

Mr. Knowles (Winnipeg North Centre): That was in 1944.

Mr. Gilbert: Yes, I stand corrected. It was a foolish political mistake on the part of the then leader of the Conservative party. When medicare was introduced, which was another step in providing security for Canadians, members of that party opposed it until the time of the vote, and then they had to vote for it. When guaranteed annual income legislation is introduced in the House, which will probably not happen within the next ten years, I can picture the Chamber of Commerce opposing it.

I cannot understand the progressive member for Hamilton West espousing that type of philosophy, because he comes from a workingman's riding. He appreciates

the problems of workingmen and I am sure that he wants to protect them. To suggest increasing the eligibility period from eight to 12 weeks is not worthy of the hon. member. I am sure it is not his proposal; he has just put it forward but really the Chamber of Commerce presented it to him and he has been taken in by them.

Mr. Alexander: Mr. Speaker, I rise on a point of order. I do not know whether it is a question of privilege or a point of order, but I will start with a question of privilege. I have a great deal of respect for my friend, but when he attempts to question my integrity and the sincerity with which I put forward this motion I take a pretty dim view of it. I did not follow any instructions from any particular organization when I placed this motion before the House. I feel, in all seriousness and after due deliberation, that what the government is attempting to do is not in keeping with an attempt to maintain personal initiative among the workers.

The Acting Speaker (Mr. Laniel): Order, please. The hon. member should state his question of privilege.

Mr. Alexander: I am speaking on the question of privilege, Mr. Speaker. May I point out that it takes guts to stand up and bring forward a motion which perhaps is not in keeping with the thinking of the government or with the thinking of the NDP, who is not even attempting to delve into the questionable aspects of this matter. All they claim is that it is motherhood. Mr. Speaker, I will continue with my question of privilege. I would like to say that the member for Hamilton West will stand by any motion which he brings before the House. I do not intend to be browbeaten, berated or embarrassed by the loose-tongued members of this House into thinking that I have done the wrong thing. I stand by the motion.

The Acting Speaker (Mr. Laniel): Order, please. The Chair does not feel it has to make a decision on a question of privilege. The point was made and now I think the House should go back to the debate.

Mr. Gilbert: I would like to speak for a few moments to my colleague the hon. member for Hamilton West. I will always remember the first speech he made. This is the philosophy that he enunciated: judge not a man by the colour of his skin or the way he fights or loves or sins, by the gods he worships or the vintage he drinks, but judge a man by the way he thinks. I think that this really sets forth the philosophy of the hon. member for Hamilton West. When he brought forth his amendment I thought he was not thinking correctly and I tried to protect him by suggesting that perhaps another person proposed that he bring it forth. If this is his amendment, it worries me a little.

However, to get back to the second point with regard to teachers, nurses and students, may I say with regard to teachers that they are having a great problem in obtaining appointments. I am sure that many teachers and nurses will appreciate in the near future the coverage that is being imposed upon them.

Some hon. Members: Hear, hear!

Mr. Gilbert: Hon. members should speak to the young graduates from teachers colleges and listen to the problems which they are having in finding placements in schools. I come from a workingman's riding and I am a workingman's son. I have heard from young students many plaintive cries with regard to employment. I feel ashamed when they call me and think I have a special pipeline through which to get them jobs. Frankly, I have not. I think they should get employment on their own initiative, but unfortunately there is much unemployment at present.

• (8:50 p.m.)

I was rather proud of the Minister of Labour when he said that students should not be treated as second class citizens, that if they work this summer, return to university and next year they find difficulty getting jobs, provided they are not travelling and are available for work they should be entitled to unemployment insurance benefits. That is quite progressive on his part. Again speaking of unemployment, I am surprised at the members of the Tory party because their record regarding employment from 1958 to 1962 was not a proud one. In fact, in 1962 it was one of the reasons they were turfed out of office. For them to be self-righteous now concerning employment does not hit well with the Canadian public.

I would like to see full employment but, Mr. Speaker, the day is coming, and coming quickly, when work and income will not be closely related. This is why we have to think in terms of a guaranteed annual income. This bill is a step in that direction. If full employment could be obtained by introducing the four-day work week, I would be the first to agree to that step. But full employment is not easy to attain, especially in this technological age. As Members of Parliament we must find ways and means of ensuring income security for all Canadians. This bill, I repeat, is a step in that direction.

As the minister said, the bill will not bring utopia into existence. That would happen if, when a person becomes unemployed, he automatically receives unemployment insurance benefits. To conclude, Mr. Speaker, I wish to say that I will vote against this amendment. I hesitate to speak about the reasons the proposer of the amendment had for introducing it, because really he is a very fine man and wants to protect the workers. However, I think he may be mistaken in this instance.

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

Some hon. Members: Question.

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

Some hon. Members: No.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 75(11), the recorded division on the proposed motions stands deferred. The House now has before it for consideration motion No. 9 which, pursuant to the order made earlier today, will be considered separately. Mr. Alexander, seconded by Mr. McCutcheon, moves:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting clause 28, at pages 15 and 16 thereof.

Is it the pleasure of the House to adopt the said motion?

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, as a result of my involvement in this debate I think I have made my mark because not only the minister, on behalf of the government, but members of the NDP point their finger at the member for Hamilton West. Indeed, I would be much disturbed if my remarks had gone unnoticed and unsung.

Clause 28 is what I call the Santa Claus clause. Under its provisions, if a person has been involved in the labour force for some 20 weeks, instead of paying him benefit on a week to week basis on the grounds of the amount of money that will be saved he will be paid three weeks benefit in advance. This is supposed to be an incentive to him to go out and find work. I stand here in utter amazement trying to rationalize this type of thinking. Just what are we attempting to do? No matter what the hon. member for Broadview (Mr. Gilbert) may think, I believe this would destroy personal initiative. It is a disincentive, and I have maintained this ever since I first saw the clause.

To use round figures, if a person is earning $150 a week he will be entitled to $100 unemployment insurance benefit. If he receives a total of $300 in unemployment insurance benefits all at once, is this an incentive for him to go out and look for a job? This is what the minister says. The vast majority of Canadians will do just that. Again, what disturbs me about this bill is that it is holding out inducements and I would not blame people if they took advantage of the legislation. But why do we attempt to create such a climate? The minister says that this provision will save money. Are we not concerned about the results, the implications, the ramifications of this attempt to save money? What are the equities?

The hon. member for Broadview seems to think that I have forgotten about the problems of the workingman. Mr. Speaker, I come from the great city of Hamilton which is presently celebrating its 125th anniversary. I don't stand here playing footsie. I am looking at both sides of the question. A lot of workers have told me they wonder just what is going on in connection with this Santa Clause clause. A lot of people involved with unemployment insurance, workers who will be contributing, just do not understand the philosophy behind such a provision.

• (9:00 p.m.)

Mr. Speaker, I could add word upon word upon word. I could be as repetitious as possible. Perhaps that is the problem with a debate such as this, that we continually repeat ourselves. But as long as we have legislation with clauses such as this, I personally would say to the Canadian people, "Go and take advantage of it. You are not breaking any law, but in taking advantage of it you are destroying your initiative and adopting a questionable philosophy".

I brought this motion before the House in order that we may bring some sanity back to the legislation. Certainly we are all interested in upgrading the Unemployment Insurance Act, certainly we all want higher benefits and reduced eligibility periods—but within reason. That is all we are talking about. So, Mr. Speaker, I end on a note of concern. I hope my remarks this evening will have some effect on this particular clause. I therefore take issue with clause 28.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I in my opening remarks use a word that my hon. friend from Hamilton West (Mr. Alexander) used in his opening sentence. He said that he stood in his place amazed at this proposal. I stand in my place amazed at his opposition to it. Throughout this debate I have been puzzled by the way in which my friend and some of his colleagues at times seem to be on the side of the workers and at times against what I think are their best interests. I want to say categorically that I think the proposal in clause 28 is a good one. I commend the author of it, whoever he may be, the minister or even his parliamentary secretary or one of the bureaucrats upstairs. The minister is pointing upstairs, so the author can take a bow.

Let us look at a few of the details of this provision, Mr. Speaker. As the language indicates, it is a provision for paying in advance the first three weeks of an unemployment insurance benefit to which a claimant becomes entitled. In order to obtain that so-called advance payment the claimant in the first place must have gone through a two-week waiting period during which he received no benefit of any kind. If he has had a day's work in that period the amount he earns will be deducted from the advance of his unemployment insurance benefit. In addition to that, when he became unemployed it must have been because of a shortage of work. He cannot come under this program because he decided he was ill, and a female employee cannot come under it because of pregnancy. In addition, the employer must have certified that the lay-off will be for at least five weeks.

Mr. Woolliams: But he might go to another employer.

Mr. Knowles (Winnipeg North Centre): If he goes to another employer—just a minute now; I appreciate that my friend wants to understand this.

Mr. Woolliams: I understand it. I am asking you.

Mr. Knowles (Winnipeg North Centre): If he goes to another employer and gets a job within the first two weeks, of course he collects no benefit at all. Remember that the claimant who is going to collect this advance payment will not be able to get back where he was working His employer has already certified that the lay-off is for at least five weeks. The person who cannot get back to his former place of employment and cannot find work somewhere else during the first two weeks is, by the law of averages, likely to be one who is not going to find work for another three or four weeks. I think I have used the right figure in terms of the history of unemployment insurance.

What this provision offers is that the individual who has been off for two weeks, who was told by his employer, and for whom it was certified in writing, that he would be off for at least five weeks and who cannot find work anywhere else, in the third week of his unemployment is given benefit for that week and for the next two weeks. So he has gone two weeks without money, he is in the third week and gets money for that week and two more. He is going to have a tough time to find a job.

I cannot understand why my friends have any criticism of this at all. Maybe I am just idealistic, but I think there is a lot of good in human nature. I think the person who receives that extra money will feel it is an incentive to find a job before the five weeks are up.

An hon. Member: You just said he cannot find one.

Mr. Knowles (Winnipeg North Centre): Experience says he will not; the chances are against him. But he knows that if he can find a job he can keep the money he earns, if he gets a job in the middle of the fourth or fifth week, without having to return what he received as unemployment insurance. He also knows that if he cannot find a job he has got that money coming to pay his bills and make ends meet. Experience shows that a large number of cases run into the four or five week period unless we find ourselves in a period such as now, with pretty severe unemployment where people are out of work for a long time.

Far from this being a violation of the principles of insurance, and far from it being something based on the lowest instincts of human nature, I submit that this is a good thing. I think it is also true, as was demonstrated in committee, that it will simplify administration. Many of these cases will not have to be dealt with again. By the end of that period many persons will have found employment and will not have to return for three different payments. I think it makes administrative sense. I think it is an incentive to a person to try and find work if it is there at all. I think it meets the problem that an unemployed person faces to say to him, "You have had to wait for two weeks, but at least in the third week you will get the extra money".

My friend, the hon. member for Hamilton West, and I are supported by our seconders. I have the hon. member for Broadview (Mr. Gilbert) and the hon. member for Hamilton West has the hon. member for Moncton (Mr. Thomas). We are sparring, but we are good friends and we have gone over this in committee and in this House. However, I still do not understand his logic or his alleged consistency when he complains about the two-week waiting period and wants to put it back to one, and then when we get a proposal that makes up to him in part by saying to the unemployed person, "In the third week you will get an advance to last you for weeks three, four and five," he says we must not do that. Which side is he on? Is he on the workers' side or is he not? I think this is a good measure and I commend the author of it.

Mr. Thomas (Moncton): He is on the taxpayers' side.

Mr. Woolliams: We are all taxpayers.

Mr. Knowles (Winnipeg North Centre): Does my hon. friend not realize that as long as unemployment is under 4 per cent—maybe that would be utopia under this government—unemployment insurance is paid not by the taxpayers but the entire cost is paid by employees and employers? Surely these are the people who have an interest in the employment situation. Surely some sort of security or income is part of the wage package that people who work in industry in this country have a right to expect.

• (9:10 p.m.)

If there is any question about taking sides, the side that should be taken in this is the side of the worker. It is false to say that this is a case of workers versus taxpayers. There are no general tax funds going into the first 4 per cent of unemployment. When we get to another place in the bill I will argue that they should. The point is that people have a right to the best deal they can get. This bill does not give them as good a deal as I would like to see, but there are a few improvements. This is one. I think the hon. member for Hamilton West believes that he is on the side of the workers. If he is, I hope he will withdraw this amendment.

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) wants to know which side we are on. I am prepared to support this amendment. The amendment would delete all of clause 28. As the hon. member for Winnipeg North Centre has properly said, if a person is unemployed, provided the employer certifies in accordance with paragraph (b) that "at the time of his interruption of earnings neither he nor his employer expected that he would be re-employed by that employer for a period of at least five weeks", he receives an advance of three weeks benefits provided he has been out of work for two weeks.

When asking which side we are on it is necessary to consider who is paying for this program. Somebody has said that it is the taxpayer. I will particularize. Unless the money comes out of the treasury it will come from contributions by the worker and the employer. No one will deny that ever since the act came into effect the rates have gone up from time to time. If this money comes out of the treasury it still comes from the taxpayer

who is either an employee or employer. It is the same class of people. I will particularize this clause in a minute. The money will come from the pocket of either the employee or the employer. If the fund runs out of money it must be replenished by money from the treasury, which actually comes out of the pocket of the taxpayer.

The hon. member for Winnipeg North Centre and his colleagues always leave the impression that they are the only ones who speak for the working man. This covers a broad section of the vote. The fact is that employees are contributing to the fund. If a man is out of work for two weeks and his employer has certified that he probably will not get work for five weeks, if he finds work two weeks and one day later he keeps the advance and his salary. He makes no contribution to the fund. My idea of insurance and the idea of the hon. member for Winnipeg North Centre certainly differ. With the greatest respect, I do not think this is insurance. I say that anyone who supports the amendment and opposes this clause is on the side of the worker.

Everywhere in this country workers have a fear about their security, particularly with this government. They are complaining that they have very little take-home pay compared to the amount they are earning. Clause 28 makes gifts; it does not matter how the hon. member for Winnipeg North Centre dishes it up. I have faith in my fellow men. However, if a man receives and advance for three weeks and gets a job within two weeks and a day, and does not make any contribution to the fund, somebody has to make up that amount.

What is this all about? I hear the members of the NDP talking. I hear them hammer the government. Tonight the NDP and the government are in the same bed; they have married the same partner. But tomorrow the hon. member for Winnipeg North Centre will get up in a pious way and complain about the cost of living.

Mr. Knowles (Winnipeg North Centre): Hear, hear!

Mr. Woolliams: I do that, too. Surely a man that has worked and has experience with the unions—I do not know whether he draws a pension from them or not—must know that the moment you increase costs, the employee will strike for more money. I can understand that. When he strikes for more money, then the cost of production increases. And the hon. member for Winnipeg North Centre starts complaining about the cost of living! I wish the Prime Minister (Mr. Trudeau) were here; he might agree with me.

Clause 28 will increase the cost of living. All the employer will do is pass the increase on to the consumer. Before I left home I heard over the radio that Chrysler Products in the western United States is closing. There will be 1,600 people out of work. Why? Because Chrysler Products cannot compete with Japan in manufacturing automobiles. It is therefore necessary to close the plant. The United States is importing automobiles and putting Americans out of work. The same is happening in Canada.

The hon. member for Winnipeg North Centre can be as pious as he likes about these things, but when there are increases in costs, the workers which he supports will strike. I have heard all the hon. member's arguments. The employer passes the increase on to the consumer, and if the consumer is a workingman he will again strike. It becomes a vicious circle. This is exactly what happened with the Wilson government in Great Britain and this is what will happen here with this kind of clause.

Some hon. Members: Hear, hear!

Mr. Woolliams: It is very easy for somebody to stand up and say that the Tories are against giving anything away. I am against giving anything away. The average worker in Canada does not want gifts; he wants to work and receive a fair wage. He does not want less take-home pay. That is what this clause means. I have heard the hon. member for Winnipeg North Centre talk. He can say what he likes but he cannot tell me that it is equitable for a man who is out of work for two weeks and one day to draw three weeks advance when he really does not deserve it. He is taking this money from the other fellow. If the clause stated that it must be paid back when the person goes back to work, it would be fair to the other workers of Canada.

You can always win votes by promising bread and surpluses; that does not take much brains or character. It sounds awfully good. It sounds so good I can almost see the headlines. It almost touches my heart. But let's get down to the facts. This clause means increases in the cost of production, more strikes, trouble in management and more war between labour and management. The hon. member can dish it up any way he wants, but don't paint the hon. member for Hamilton West (Mr. Alexander) with any other brush. If there is any sincerity in this, it comes from this party and not from members to my left. I am prepared to support the amendment.

• (9:20 p.m.)

Mr. Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, I do not think the hon. member means to question the sincerity of either of us. I do not know which one of us he was pointing to.

Mr. Woolliams: I don't care how he dishes it up. I am not questioning your integrity, but those facts as far as I am concerned do not ring true. Now, when the hon. member says this is a wonderful system, as far as pointing out the conditions of the clause he is absolutely correct. But he did not say that a person would be able to get the three weeks provided he worked two weeks and one day, and he did not say it would cost the workers of Canada more money, that they would have less take-home pay. He did not say it would cost the consumer more money. If he does not understand the economics of this, then he and I went to different schools.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I always enjoy listening to the heart-touching remarks, as

he described them, of the hon. member for Calgary North (Mr. Woolliams). If I wanted to start an argument I would say they were more heart-touching than head-touching. He conjured up the picture of a country virtually in a state of economic chaos, a country paralysed by strikes.

Mr. Thomas (Moncton): He did not say that.

Mr. Barnett: If he had spoken a little longer he would probably have had us in a state of civil war over the proposals of this bill. Let us take the individual central to the hon. member's argument, the man who has been unemployed for two weeks and one day. As I read the clause, this is a situation which could arise: I believe the hon. member would admit that while some people might draw three weeks' benefit after having been unemployed for two weeks and one day, not all the people who draw unemployment insurance would be in that position.

Mr. Woolliams: I did not say so.

Mr. Barnett: Statistically speaking, the mass of those who come within the ambit of this clause will have been unemployed for at least three weeks.

Mr. Thomas (Moncton): Now we are getting at the truth.

Mr. Barnett: We are getting close to assessing the costs which are really involved to the other workers paying into the fund. Let me refer to the amendment which was proposed by the hon. member for Hamilton West (Mr. Alexander) objecting to lengthening the waiting period from one week to two weeks.

Mr. Woolliams: I agreed with that, too.

Mr. Barnett: If he claims that this is a retrograde step as far as the application of this bill is concerned, he is bound to agree with the suggestion of my hon. friend from Winnipeg North Centre (Mr. Knowles) that the amendment in part compensates for the change to which he objected. He was speaking ordinary common sense and stating the facts of the situation.

I do not pretend to know much about the patterns of work followed in Hamilton or in Calgary, but I would invite both the hon. members to my right who have spoken on this issue to visit my constituency if they wish to assess some of the virtues of this proposal. I did not take part in many of the meetings of the committee. I certainly was not present when the arguments about this clause were presented. But I can tell the hon. member for Calgary North that when I first read the proposals in the bill this clause struck me as being one of the most realistic and helpful changes being proposed as far as many of the workers in my area are concerned.

We are faced with this situation: if a person works, having been unemployed for two weeks and one day, the most he stands to get as far as net income is concerned over and above what he has lost, is four days' pay. Even disregarding the fact that remuneration from the unemployment insurance fund will only amount to a percentage of his regular pay, a percentage of four days' pay will be his net gain if he goes back to work after being unemployed for two weeks and one day. I urge the hon. member for Hamilton West and the hon. member for Calgary North to put this matter into perspective before they start talking as if this proposal would weaken the morale of the working force of Canada or add great new impetus to the rise in the cost of living, precipitate strikes, and so on.

This clause is not mandatory. The key word is "might". I suggest this applies to people who have established a fairly regular pattern of attachment to the labour force, usually over a period of years, people who are subject to only occasional, periodic interruption of regular employment. As soon as they return to work they begin to make contributions to the fund again. As a result of their pattern of work they will soon pay back the extra four days' pay they may have gained. They will pay it back out of their own contributions; they will not be leaning on the contributions of other workers.

In my view this arrangement may eliminate a great many headaches which occur in my constituency. The provisions may well apply to the whole group of loggers on the Pacific coast who regularly have what we call a fire season in the summer or a shutdown because of snow conditions in the winter. At times like these there are massive lay-offs of workers in a whole industry and there is not much alternative employment. This situation has created a great many difficulties as far as administration of the act is concerned and, hopefully, the change proposed will do much to remedy it. These are predictable lay-offs which create a situation where opportunities for alternative employment are, shall we say, virtually non-existent for a short and rather specific period of time.

• (9:30 p.m.)

Perhaps the hon. member for Hamilton West will come to Vancouver Island some time during the nice, warm summer weather so that he can do a little fishing and also see what happens in the logging industry where workers are normally employed on a quite regular basis and are in a fairly well paid wage bracket, which means they make substantial contributions to the fund. I think he would come to appreciate the practicality of what this clause proposes, at least in respect of certain segments of the Canadian work force. This clause may be of no benefit to people who work in an industrial city like Hamilton; he may see it as a provision that will drain money from the pockets of workers in Hamilton to fill the pockets in some other parts of the country.

What I am trying to suggest to the hon. member, if he will examine the picture, is that the clause applies to the group of workers that I suggest can statistically be shown to be self-supporting and self-sustaining as far as their contributions to the fund are concerned. The way this clause will work, as I see it, is that it means there will be a lot less headaches for the workers as well as for the Unemployment Insurance Commission administratively; and within the established framework of a two-week waiting period it makes plain, good, ordinary common-sense to me to put this kind of clause in the bill.

I am trying to point out to the hon. member for Hamilton West that in considering the desirability of removing this clause from the bill he may have overlooked the real and practical situation that applies to some segments of the working force. At the present time there is a slackness in demand for pulp and paper products in the markets of the world. One of the pulp mills in my constituency has announced it is going to shut down for a period of five or six weeks. I would see this clause applying to the workers of that mill. It is possible that the workers of this mill may find an opening at another pulp mill that is not closing down, either within two weeks, after two weeks and one day, or after three weeks of unemployment. But such openings in the industry at other plants in the region are going to be few and far between.

I suggest that the hon. member for Winnipeg North Centre is quite right in saying that if, under circumstances like these, those workers have an opportunity to get a job at another plant where their employment may be more regular than is the case at the plant where they have been working, they will take it. They will not stay unemployed for another week, if there is a chance of a job, simply to draw what is just a part of their normal income by collecting an extra three, or four or five days' unemployment insurance benefits.

Therefore, I hope the hon. member for Hamilton West will reconsider his position on this amendment. I think it is in contradiction with what I have come to feel is a general appreciation of the basic value of an unemployment insurance scheme.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, we in this party have been accused more than once during this debate of being illogical and inconsistent. Without admitting that, I will say that it is very difficult to be consistent in this debate when we hear members to our left trying to justify all positions and using all sorts of arguments in support of those positions. This clause is a good example.

We were told during the committee hearings that the whole purpose of the three weeks' payment in advance is to provide an incentive to get people back to work. However, I have suspected right from the start that the main reason for this three-week period is that the department figures this is the easiest way out. There is less administrative cost involved if these people are paid three weeks' benefits than in trying to get them back to work.

Having listened to the members of the NDP this evening, my suspicions are confirmed. Both speakers who preceded me stated that once these people have got past the two-week period they will probably be unemployed for at least five weeks. In other words, they are admitting it is difficult to get these people back to work and therefore it is easier to pay them three weeks' benefits in order to get them off their hands.

The previous speaker talked about the situation in his area where it is difficult to get people back to work. In effect, what he said was that we should give these people three weeks' benefits and get them out of our hair for a while. As I say, I suspect this is the real reason for this clause. Certainly it was indicated by the departmental officials that this would mean lower costs administratively. In that way they will only have to deal with these people once, or perhaps twice if the payment is split in half as has been suggested.

All through this debate we have been accused of lack of logic. I stated earlier this afternoon that the whole bill is illogical and has many inconsistencies. We are told that this provision was put in as an incentive to get people back to work, but as far as I am concerned, no one has yet justified that argument. What incentive is there for a man to go back to work if he is paid three weeks' benefits after he has been out of work for two weeks?

Mr. Barnett: Would the hon. member permit a question?

Mr. Thomas (Moncton): Certainly.

Mr. Barnett: I do not know whether the hon. member was listening to my illustration of a lay-off in the pulp and paper industry, but would he not agree with me that if a man has his three-week benefit cheque and he knows there is a chance of a job at another pulp mill that may be more permanent than his present job and which is 100 or 150 miles away, he is much more likely to look for a job at that mill with three weeks' pay in his pocket than sit around at home waiting for his next cheque to come along?

Mr. Thomas (Moncton): That may or may not be the case. On the other hand, a man who has settled in a community may not find the three weeks' payment sufficient inducement to travel 150 miles to get another job. But that is a specific case and I am not talking about specific cases. In some cases people may do that, but I think the main reason for this clause is that the department figures it is cheaper to handle the men in this way. This is where our friends to the left are not consistent. Far from being an incentive to a man to go back to work, this three weeks benefit is an incentive to stay at home.

Another thing that bothers me is the administrative nightmare that will result from this bill. I asked the officials about this matter in committee. I told them that as I understood it the only way a man could qualify for the three weeks' payment in advance was if he had a certificate of separation from his employer to the effect that he expected to be laid off more than five weeks. The officials agreed that I was correct, that in that case he would qualify for the three weeks' advance payment.

On the other hand, if an employer was perfectly honest and did not know how long the man in question would be laid off, and perhaps thought he might only be laid off three or four weeks, then after the second week, since the man did not have a certificate of separation that he expected to be laid off for more than five weeks, all he could receive from the fund is the weekly payment in advance. Certainly he would not get the full three weeks.

Unemployment Insurance Act, 1971

• (9:40 p.m.)

In this area I say the bill is an administrative nightmare. It places the onus on the employer to estimate the period of lay-off. This can be done by a large corporation like General Motors where there may be a lay-off for six or eight weeks, but I suggest the small employer cannot do this.

It was very illuminating to me to hear what one of the hon. members to the left had to say about a question I asked in committee. This shows that hon. members to the left try to justify all positions. I asked the officials whether this provision would not place too much onus on the employer and create a great deal of dissatisfaction. It was interesting to hear the hon. member for Moose Jaw (Mr. Skoberg) say that then the employee will probably try to seduce the employer into giving him a separation certificate. These hon. gentlemen point accusingly at us and say we suspect that all men are dishonest. Apparently these thoughts run through their minds. Why would that member of the NDP make such a statement as this, because it could lead to collusion between employer and the employee.

I point this out as another example of the nightmare this measure will create. If on the one hand the employer says he has left for four weeks, he gets no payment; if the employer gives him a certificate for five weeks or more, he is immediately handed a three-week payment in advance. If this is an incentive for a man to go back to work, I am very badly mistaken. I strongly support this amendment because I feel the whole purpose of the clause is to take the onus off the department, by allowing it to say to these people, "You can have three weeks' payment, but don't come back for three weeks; we do not intend to find you a job."

Mr. Mac T. McCutcheon: Mr. Speaker, I should like to ask a question of the minister in connection with one or two points referred to in the remarks of the previous speaker. I realize that most Canadians are honest, but the thought has occurred to me after reading the clause that a racket might be worked out through collusion between a crooked employee and a sleight-of-hand employer. Having made that observation, what provision or restraint has the department thought of in order to avoid a situation such as that taking place? I am not suggesting for a moment that anyone would do this, but after all there are 21 million people in this country and I have reason to believe that some of them are not as full of integrity as they should be. While I am not of a suspicious nature, it seems to me there is here a beautiful loophole for a dandy racket. I would ask the minister to explain the safeguards against such a possibility.

Mr. Mackasey: Mr. Speaker, I would much prefer to deal with that question when we reach the clause of the bill that provides penalties and regulations. I will not forget to deal with it then. Quite properly, the hon. member has pointed out that there is a possibility and a danger here of collusion between a dishonest employer and a dishonest employee. This is true of any part of the act; it is not restricted to this part. If you have a dishonest employee and a dishonest employer in this combination, this could exist because it is human nature. We have ways and means of dealing with it.

When we get to that part of the bill dealing with the fines and court action available to the Unemployment Insurance Commission and the procedure to eliminate this type of abuse, I will deal with it. I will point out the legal action that can be taken against such a dishonest employer and employee. I think you will find that the fines and penalties provided therein are more than ample in the way of deterrent to prevent any such widespread fraud, because that is what it would be in the case that has been presented. When we reach that point I will deal much more specifically with the question.

I might say while I am on my feet that the hon. member for Moncton (Mr. Thomas) made a very valid point. It would be wrong and dishonest on my part to deny that administratively this tidies up or makes the role of the Unemployment Insurance Commission much easier. I think this is the point that the hon. member for Winnipeg North Centre (Mr. Knowles) mentioned. If a person is unemployed, the commission will ascertain whether he can take advantage of this feature, or to whom this clause of the act applies. There are people, for instance, who are unemployed as a result of sickness or maternity and who therefore are not eligible for advance payment. This advance payment does not apply to anybody other than those with the proper period of attachment.

If an employer believes that his employee will be without work for at least five weeks, then a certificate is issued. In that case, if the person happens to be unemployed in a region that is very badly affected by unemployment— and the hon. member for Moncton has quite realistically suggested that the chances of his getting back to work are not good,—then the chances are he will be unemployed for the five-week period, in which case this provision makes sound sense administratively.

The hon. member made quite a good case for keeping this clause in, having regard to the administrative feature. He suggested it will save a considerable sum of money in respect of unemployment insurance. We cannot have it both ways. If we want an administratively good plan, and if this is going to save money, we should not remove a clause which accord ng to the hon. member for Moncton would make it possible for the administrators of the plan to save that money. I think this clause should be supported for that reason, in addition to the valid reason suggested by the hon. member for Winnipeg North Centre and the hon. member from British Columbia regarding the incentive features of the plan.

I think the hon. member from Moncton quite properly pointed out that the three weeks' advance payment will be paid in two payments. Quite frankly, the reason for this is that in long periods of unemployment we felt that the time between the first cheque and the next would be about four weeks and this would mean no income for a month. This is essentially the basic reason for dividing the three-week payment into two cheques.

Mr. Woolliams: Mr. Speaker, would the minister answer a question? I take it he is saying the only way you can get a conviction or even a direction under the board, so far as this act is concerned, is if you can prove fraud. Is that the case? The question that follows is, does this preclude an employer rehiring his employee, presuming he was in the business of supply, received a big order and wanted to get back his experienced workers in two weeks? Would he be precluded from hiring those workers, or would he have to hire from outside?

Mr. Mackasey: Dealing with the first part of the question, in the circumstances outlined by the hon. member this would not preclude an employer from hiring the same employee. I was answering a specific case of collusion described by the hon. member for Lambton-Kent (Mr. McCutcheon). He referred to a situation involving a dishonest employer and a dishonest employee. That is the case I referred to when pointing out that there are penalties in the act to protect the Canadian public and the fund against this kind of combination of a dishonest employer and a dishonest employee.

In so far as the second question is concerned, I am sure there will be cases where an employer has filed a certificate stating that an employee, according to the act, will be unemployed for five weeks. He might subsequently find himself in the happy position, both for himself and his employee, of being able to bring the man back to work sooner than anticipated because of unexpected circumstances. It is not our intention in that case to deal with the employee any differently than if the employer had hired someone other than his normal employee.

• (9:50 p.m.)

To answer the second part of the question, may I say that in those rare occasions when an employer certifies that an employee will not be rehired, and there is a change and the employee is rehired, in that five-week period he is still entitled to assistance.

Mr. John Gilbert (Broadview): Mr. Speaker, I shall speak for only a few minutes. For the second time this evening I disagree with my hon. friend from Hamilton West (Mr. Alexander). This rather disturbs me. But surely the crux of this matter is whether we should have an incentive payment. I would be more persuaded if my hon. friend could have assured me that he could provide an alternative to an incentive payment, because time will be the test in respect of this provision. The cost will be very slight. I think we should give it an opportunity to be tested. After a year's time I am sure the minister will appear before the estimates committee and give its members the benefit of his experience concerning this incentive provision. Through you, Mr. Speaker, I would tell the hon. member for Hamilton West the experience they had in New York state with regard to their scheme for a guarenteed annual income.

Mr. Alexander: I have read it.

Mr. Gilbert: There were two main points. One was that if they gave people certain moneys they would not work and, secondly, that they would cheat. Experience has shown, in respect of the cheating aspect, that less than 5 per cent of the people who received the money in New York took advantage of cheating. I believe the same might be said with regard to our Unemployment Insurance Act. I do not know the figures; the minister probably knows them. I am sure the number would be less than 5 per cent. Surely if the figure is that small we should be big enough to give the plan a chance to operate. I believe it would provide an incentive. The New York experience indicated that when people received the money it gave them an initiative to go out and obtain employment. The hon. member says he has read about the New York experience. I think he should accept this conclusion and give this section a chance to operate.

I become rather fed up when I hear people talk about fraud being committed against the unemployment insurance fund. A very small percentage of the people are involved in this practice. There is fraud in other fields. Doctors cheat, lawyers cheat and other workers cheat. We do not level criticism against professional men, although we do against the workers. Let a few workers cheat and a cloud is cast on all workers. This is hardly fair. It is not really worthy of my friends to the right in the Progressive Conservative party to tag this bill as welfare legislation, because it is really insurance legislation to take care of people during a period of unemployment. I have said to them before that if they tag the family allowances as iniquitous, and now if they tag the unemployment insurance as welfare they will take the same political nose-dive that the leader of their party took when he tagged it as iniquitous.

Mr. Alexander: Mr. Speaker, would the hon. member allow just one question? Does he not think it is commendable for a person to stand up with conviction for what he believes is constructive criticism, and does he not think that is part of the life of a Member of Parliament; or does he continually have to pussy-foot looking for votes?

Mr. Deputy Speaker: Order, please. The hon. member has the floor for the purpose of asking a question. He has spoken in the debate, but I understand that he is rising on a point of clarification.

Mr. Gilbert: Mr. Speaker, it is the duty of all members to speak from their own personal convictions and experience. I do not doubt for a moment the sincerity, conviction and integrity of the hon. member for Hamilton West. What I doubt is his process of thinking in respect of this legislation. In my Irish, persuasive way I would like to persuade him, but I can see he becomes more adamant the more I penetrate his argument. Therefore I shall leave him to think about it overnight and he will probably come to me tomorrow and say, "John, you were certainly good last night".

Mr. Woolliams: Mr. Speaker, on a question of privilege, I appreciate that the hon. member for Broadview may be Irish. I appreciate his good nature and it might be easy to pass off what he said. But as I understood it—and I hope

I am interpreting him correctly—he said we have left the impression, and I do not feel any member over here did so, that we were reflecting on all workers.

My question of privilege that men in the Manpower office said there were 100,000 cases in which the Unemployment Insurance Act, even the old act, was misused. We did not say that. What we are trying to do, with honesty and integrity, is see that whatever act does get through Parliament is the kind of law which will attempt to avoid the type of fraud that could happen under the act. Every speaker who spoke tonight emphasized this. I do not think my good friend from Broadview—who is a member, with me, on the Committee on Justice and Legal Affairs and a member whom I know very well—would want to leave that reflection on members of this or any other party.

He may have used an unhappy phrase and played the game of Anthony as the hon. member for Winnipeg North Centre did tonight, but the fact is that the reflection was made and I would hope he would now stand up and clarify his position as not being a reflection on any member of this party individually or on the party as a whole.

Mr. Deputy Speaker: The hon. member for Broadway—I mean Broadview.

Some hon. Members: Hear, hear!

Mr. Deputy Speaker: I hope hon. members will excuse the Chair for confusing Broadway and Broadview, but at this time of night Broadway is rather more appealing. I recognize the hon. member for Broadview. I point out to hon. members that the hon. member for Calgary North has a point which he wants clarified. I know the hon. member for Broadview would like to have the opportunity to reply and I would ask that he do so rapidly.

Mr. Gilbert: Very quickly, Mr. Speaker. Never have I met a more personable friend than the hon. member for Calgary North. He is friendly but he is tough. This is what we like about him. He speaks not only from his heart but from his soul and mind. I am sure he would forgive me if I unintentionally cast any reflection on any member of his party. He has a great sense of forgiveness and I am sure he will forgive me if I have made a mistake.

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

Some hon. Members: Question.

Mr. Deputy Speaker: The question is on motion No. 9. Is it the pleasure of the House to adopt the said motion?

Mr. Knowles (Winnipeg North Centre): No.

Mr. Deputy Speaker: All those in favour of the said motion will please say yea.

Some Hon. Members: Yea.

[Mr. Woolliams.]

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

• (10:00 p.m.)

Mr. Deputy Speaker: Pursuant to Standing Order 75 (11), the recorded division on the motion stands deferred.

PROCEEDINGS ON ADJOURNMENT MOTION

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

TRANSPORT—REVIEW BY GOVERNMENT OF FERRY RATE INCREASES IMPOSED BY CANADIAN NATIONAL RAILWAYS IN MARITIMES

Mr. David MacDonald (Egmont): Mr. Speaker, in speaking in this adjournment debate perhaps I should first inquire whether either the Minister of Transport (Mr. Jamieson) or his parliamentary secretary are prepared to answer this question. I do not see either of these gentleman in the House. It would be useless to put the question in some detail unless someone is prepared to answer for the Minister of Transport. It is obviously a vital question for Prince Edward Island. Perhaps the fact that neither the minister nor his parliamentary secretary saw fit to be here is a further reflection of the growing lack of concern and interest in the transportation problems of Prince Edward Island.

It was on June 2 that questions were put in the House during the question period with respect to the increase in ferry rates both to the province of P.E.I. and to Newfoundland. The rate increases with respect to P.E.I. were in the range of from 50 per cent to 100 per cent and, as in so many things in recent years, there was no forewarning that such action would be taken, even though this action was taken without any obvious consultation with the government of P.E.I. I should hasten to add that if there was any consultation in advance, certainly no evidence of it was forthcoming from either the Premier or the Minister of Tourism.

Second, it becomes apparent that there was very little forewarning to those who operate the ferry service. I think that that again must be considered to be an example of an unilateral decision that is taken without adequate consultation and without adequate concern for the needs and the rights of the people of P.E.I. It is the smallest province but surely these people deserve the same kind of consideration that people in other parts of this country have a right to expect.

In a general way, since this government took office three years ago there has been a continuing decline in interest on the part of the government in the transportation problems of P.E.I. It began first with a callous disre-

gard of the commitment of more than one government of this nation to build a permanent link with the people of P.E.I., and when this government cancelled the P.E.I. car crossing project it was the first indication that there was not that kind of continuing concern that Prince Edward Islanders thought they had a right to expect under the terms of confederation.

Some hon. Members: Hear, hear!

Mr. MacDonald (Egmont): Again, recently this year we saw another unilateral decision taken to remove the flagship of the line, the *John Hamilton Grey*, for a portion of the year from the P.E.I. service. Again there was no consultation, forewarning or indication that this ship, which had been christened with the names of two Fathers of Confederation from New Brunswick and Prince Edward Island, would be so cavalierly removed from its basic area of service.

In its place, two summer ferries have been added. Having travelled on these ferries I can say that in terms of transportation they are adequate if not luxrious, but they have particular faults which I think bring great dangers to the federal government. If the minister had been here this evening I would have pointed out the great danger to life which exists in the staircase and fire doors that have been installed in these ferries which make them literally unsafe for persons travelling. I should like to ask the minister at some point what steps he plans to take to deal with the various lawsuits that I am sure he will encounter from people who are more than likely to suffer grievous accident because of these inadequately installed staircases.

I want to deal specifically this evening with the rate increases because it is in this area that most recently the people of P.E.I. are aware of the government's lack of concern, the lack of willingness to consult with the elected authorities of the province, the lack of willingness to state the reasons for which the increases are necessary, and the lack of willingness to state why the subsidy in the case of Northumberland Ferries was to be decreased by a substantial sum, close to $200,000, and that these rates would go into effect at very short notice before anyone has had a chance to ascertain their effect with regard to the second most important industry in P.E.I., namely, the tourist industry.

The minister is not here this evening and neither is his parliamentary secretary. Again, it seems that we are going to be served up with some kind of formalized answer with respect to transportation, which is a binding part of the commitment between this country and the province of Prince Edward Island, entered into at the time of confederation. I think it is a sorry fact that during the last three years we have seen the transportation needs of the province of P.E.I. downgraded and the erosion of decades of progress made in improving transportation to the province. It is about time the minister and the government treated seriously both the long-term and short-term transportation requirements of that province.

Mr. P. M. Mahoney (Parliamentary Secretary to Minister of Finance): Mr. Speaker, in the unavoidable absence of the Parliamentary Secretary to the Minister of Transport (Mr. Duquet) I have the honour of replying to the hon. member on behalf of the minister. I would like to provide some information relevant to the question of passenger ferry rates which now are in existence on the east coast and to which the Minister of Transport (Mr. Jamieson) announced changes on Tuesday.

I am sure the hon. member is familiar with the changes to these rates announced by the minister which affect ferry services under Department of Transport jurisdiction, namely, the Gulf Service to Newfoundland and the Borden-Tormentine service. As a result of the minister's intervention the rates which were originally introduced for the summer ferry services were substantially reduced. I should like to read from the very brief public statement which was made by the Minister of Transport on Tuesday, affecting the Borden-Tormentine service:

> In view of representations I received today upon my return to Ottawa I have instructed that the proposed summer rates not be introduced on the Borden-Tormentine ferry service. This means that the new winter rates will apply year round. These involve an increase per passenger of only 15 cents, with no increase for children, and an extra 50 cents only for automobiles. The rate for trailers will increase by just 5 cents per foot with no change in the present minimum.

In addition to this, the minister indicated that he had spoken to the president of the Canadian Transport Commission regarding the Wood Islands-Caribou service. Late Tuesday the water transport committee of the CTC accepted an application from Northumberland Ferries Limited to cancel the new summer rate schedule for that service and to revert to the winter rates announced June 7. While these rates are higher than in other years, they are considerably less than the summer rates which were announced.

I believe the hon. member is aware that there has been little change to ferry rate schedules on the east coast for many years—in one service I believe it was 1949, and in another 1955. Over that period of time the cost of maintaining the service has been increasing steadily. In the past few years considerable expenditures have been made by the federal government in order to provide our two island provinces with fast, comfortable and efficient ferry service. There is no doubt that tourists and the travelling public, while they will be paying a little more for transportation to and from the islands will be getting a better quality of service than has ever before existed in terms of accommodation, frequency and speedier vessels.

The minister's announcement on Tuesday has been understood and appreciated in the Atlantic area. The hon. member has made a number of points which I have not covered since there was no indication in the original question that they would be raised. I will certainly bring these to the attention of the minister.

Mr. MacDonald (Egmont): On a point of order—

Mr. Deputy Speaker: Order, please. The hon. member knows that under the Standing Orders there is no provision for points of order during these proceedings.

Proceedings on Adjournment Motion

EXTERNAL AFFAIRS—REQUEST FOR STATEMENT ON NATO FOREIGN MINISTERS MEETING

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, on Monday, June 7, I asked the Prime Minister (Mr. Trudeau) whether the House could expect a statement from a member of the government following the meeting of the NATO council at Lisbon. Considering that the Lisbon meeting concluded on the preceding Friday, I thought it incumbent upon some member of the government to make a statement thereon. I state this noting that the Secretary of State for External Affairs (Mr. Sharp), who spends a great deal of time abroad, had not deigned to return to Ottawa before leaving for a Washington ministerial meeting where, incidentally, he failed to discuss the TAPS project despite undertakings given previously. I may also say that I am not disturbed by the Prime Minister's posture of condescending indifference, having grown accustomed to it. However, I find it something less than a proper attitude to adopt to an inquiry on a matter so important as a top-level meeting of NATO.

• (10:10 p.m.)

It has been a fairly well-developed pattern in this country that ministers returning from NATO gatherings would report to Parliament and to the country on the main lines of deliberation in this alliance of which Canada is a charter member and was once a very important participant. Perhaps it is the intention of the present government to downplay and denigrate the NATO alliance and Canada's membership therein. From some recent actions and many utterances we might well be inclined to believe that this is the case.

Perhaps this glibness on the part of the Prime Minister merely reinforces a growing opinion in this country that it is a part of the present government's intention to downplay, denigrate and diminish the importance of Canada's role in this organization which has long been regarded as a bulwark of western defence, a buttress of western freedom and a meeting place wherein leaders of friendly nations could consolidate their positions and advance the interests of peace, prosperity and stability in a much broader way.

In recent weeks the foreign policy of the Canadian government has received severe strictures from many Canadians who fear that their Prime Minister is leading them into policy paths which do not reflect this country's aims and interests. It strikes me that the Prime Minister, in the face of widespread misunderstanding of his Russian visit, would seize an early opportunity to clarify the role of Canada in NATO. The fact that this occasion was not used but that the Prime Minister showed his usual impolite cynicism on the matter aggravates rather than ameliorates, the feelings of many alert and thoughtful Canadians whom he is supposed to lead in the realms of foreign policy.

I hope that whoever speaks on behalf of the Prime Minister will be able to explain this seeming lack of interest in the NATO meeting and will tell us why so scant attention is paid to this top-level meeting in Lisbon. Perhaps we will be told, also, if and when the Parliament of Canada, representing the people of Canada, may hear a report on the actions and utterances of government representatives in the meetings of the North Atlantic Treaty Organization recently concluded.

[Mr. Deputy Speaker.]

Mr. Barnett J. Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I did not realize that this occasion was to be used for a diatribe against the Prime Minister (Mr. Trudeau) nor to suggest a further downgrading of Parliament by not permitting the Secretary of State for External Affairs (Mr. Sharp) to reply and report to Parliament on his attendance at the NATO meeting in Lisbon.

As the hon. member for Hillsborough (Mr. Macquarrie) knows, the Secretary of State for External Affairs is attending meetings in Washington on very important environmental problems. He will be returning to the House on Monday, when he will make a complete statement to the House on motions. I think, Mr. Speaker, that is the reply that this Parliament deserves and which it will get.

I am surprised that the hon. member for Hillsborough has used the occasion to also suggest that the foreign policy initiatives which this government has taken, particularly in relation to the recent visit to the Soviet Union, are not reflecting the views of the Canadian people. Certainly they reflect leadership on the part of the government, leadership that I think is well accepted and understood by the Canadian people. Perhaps they are not understood by the opposition but I think the people of Canada look with the same hope as this government to the outcome of the recent initiatives with the Soviet Union.

To answer the specific question, the Secretary of State for External Affairs will be in the House on Monday on his return from this very important meeting in Washington, and will report fully to Parliament as is the practice.

HOUSING—THE RICHMOND SQUARE APARTMENT PROJECT, TORONTO

Mr. S. Perry Ryan (Spadina): Mr. Speaker, this matter concerns the potentially tragic situation created by the sinking of the CMHC financed Richmond Square (Limited Dividend) apartment housing project in my riding of Spadina, in Toronto. This project covers half a city block on the north side of Richmond Street West between Niagara Street and Walnut Avenue. It backs on a lane at the rear of stores and service stations on the south side of Queen Street West. I understand that the whole project was designed to contain 545 suites, the majority of which are likely contained in the 13-storey high-rise building that is now posing the menace of this collapse.

My information is that a private contractor agreed to build this project as a low-rental housing project under the terms of the National Housing Act, by which the builder's profits are limited. If this information is incorrect, the minister is here this evening to correct it. I do not know whether the mortgage loan for this project from Central Mortgage and Housing Corporation is an 85 per cent or 95 per cent mortgage. I would be interested in

knowing the exact situation. I have not seen the application or the terms of agreement between the parties, nor do I know how many thousands or millions of dollars have been advanced under the CMHC commitment to this private builder.

I do know that the building permit was obtained last fall, that despite the usual soil testing, the footings were improperly placed and in any event were probably inadequate. There should likely have been a reinforced concrete pad under at least part of the substructure. Such footings or sills were built lengthwise with the bed of a former creek and have failed to support the structure. I say this because the 13-storey, multimillion dollar part of this project has sunk into the ground and every floor has a sag in it. Local people say that this is symbolic of the Trudeau depression.

I am advised that the interior of the building was finished during the winter and one can see from the outside that the interior painting appears to have been completed. The floors, ceilings and bearing walls have obviously settled and are perhaps 10 to 20 inches out of line. There are approximately 80 apartments in which the windows have popped in or out.

I am advised by an official of the city of Toronto that as the building went up and the frost came out of the ground this spring, a large portion of the building subsided. Apparently the building should have been tenanted long before this but no one who sees the obvious fault in construction wants to move in. Even to a layman's eye the sag in the building poses a hazard to the unaffected parts of the building, adjacent buildings and passing traffic. The sag is obvious on both the north and south sides of the building and in the garage area underneath, where some attempt has apparently been made to support or raise the footings that have sunk. It may be that this building will stand for some while without further settlement, but obviously it will continue to be a menace and with the return of frost in the ground next winter it may be weakened further.

It is imperative that the Minister without Portfolio (Mr. Andras) responsible for Central Mortgage and Housing Corporation look into this matter forthwith. I am sure he will. I think that the building should be condemned and demolished either in whole or in part. There is no question but that the 80 units are and will continue to be a dead loss. Expert engineering advice is needed, and reassessment of the whole project. In view of this grossly negligent, if not criminally negligent chance taken with people's lives and public money, the Minister without Portfolio's supervision of CMHC comes seriously into question.

Section 13 (3) of the National Housing Act reads:

No contract shall be entered into with a builder unless

(A) The project is completed and is built in an area satisfactory to the corporation and in accordance with standards of construction approved by the corporation and

(B) The project consists of 8 or more family housing units and is designed to provide housing accommodation of a size and type prescribed by the corporation.

In addition, there is the duty of thorough inspection by CMHC officials. In this they have failed. In their inspections and approvals they are not using good methods and good judgment. The tragedy of St. Jean Vianney is another example of poor judgment and inefficiency in this corporation. It was a CMHC-built subdivision that was involved in that landslide. If many more of these cases of negligent engineering, negligent inspection and poor selection of sites come to light—and according to present experience they well might—the corporation's Mortgage Insurance Fund and will be as bankrupt as this government is of competence.

Hon. Robert K. Andras (Minister without Portfolio): Mr. Speaker, the hon. member for Spadina (Mr. Ryan) is unusually full of fire and brimstone tonight. From the information I have been able to gather since he raised this question this morning, I cannot recognize the project he is describing as being the same one that goes under the name of Richmond Square. This is a project for which a loan was approved in July of 1970 in the amount of $2,300,000 for a project under section 16, comprising 228 housing units—not 500, the number he mentioned—to be built on Niagara Street in Toronto. This is known as Richmond Square. So I think we are pretty close to talking about the same project.

• (10:20 p.m.)

Mr. Ryan: I think the minister is dealing just with the apartments and not with the whole project.

Mr. Andras: If there are any errors in this reply, and there may be some in the hon. member's presentation, we will investigate further. But to bring the matter up to date, as I think the hon. member knows these units were designed under section 16 for families of low and moderate incomes. The plans and drawing of the proposed building had the endorsation of consulting engineers and inspecting and testing engineers. Construction commenced in mid-April of last year and proceeded through the winter. By April 2 the construction was reported as being 60 per cent completed. On or about April 16 it was reported that settlement had taken place along one line of caissons. The city of Toronto immediately placed a stop order on the project and independent consulting engineers were brought in. These engineers ordered the building to be shored. This has now been done and the construction of the building is being proceeded with.

To date, CHMC has advanced $949,000 and, depending on engineering reports to be obtained, it looks as though the corporation will continue its advances as the project nears completion. That is the information I have at this stage. I will further investigate the matter raised and if there is any deviation from the information I have just given I will report it to the hon. member.

Motion agreed to and the House adjourned at 10.24 p.m.

HOUSE OF COMMONS

Friday, June 11, 1971

The House met at 11 a.m.

NEW MEMBERS

Mr. Speaker: I have the honour to inform the House that the Clerk of the House has received from the Chief Electoral Officer certificates of the election and return of Claude G. Lajoie, Esquire, member for the electoral district of Trois-Rivières, and Elmer M. MacKay, Esquire, member for the electoral district of Central Nova.

ROUTINE PROCEEDINGS

[*Translation*]

TRANSPORT AND COMMUNICATIONS

Seventh report of Standing Committee on Transport and Communications, in the two official languages—Mr. Lessard (LaSalle).

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

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[*English*]

POLLUTION

GREAT LAKES—STATEMENT ON CANADA-UNITED STATES MINISTERIAL MEETING IN WASHINGTON

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, I should like to report to the House on the outcome of a Canada-United States ministerial meeting on Great Lakes pollution which was held in Washington yesterday, and which was attended by the Secretary of State for External Affairs (Mr. Sharp) and myself, along with Mr. Kerr, Ontario Minister of Energy and Resources Management, and by Dr. Victor Goldbloom, minister responsible for environmental quality in the Quebec government. The United States government was represented by a cabinet level delegation headed by Mr. Russell Train, who is the chairman of the council on environmental quality, and Mr. William Ruckelshaus, the head of the environmental protection agency; the United States delegation also included senior representatives of the Great Lakes states governments.

At our meeting yesterday we agreed that Canada and the United States should conclude a formal agreement which would have the objective of cleaning up the Great Lakes and protecting them in the future. We also reached general agreement on the contents of this agreement, on the basis of recommendations by a joint working group which was established by a first ministerial meeting on Great Lakes problems held in Ottawa last June. We agreed that negotiations should begin right away on the precise text of this agreement, in the expectation that it can be ready for signature in the early autumn.

The decisions we reached yesterday reflect the determination of the governments concerned, at the federal, province and state levels, to take action to deal with the critical pollution situation in many areas of the Great Lakes, especially in Lake Erie and its connecting waterways. The proposed agreement will be solidly based on extensive scientific investigations by the International Joint Commission, and on recommendations submitted by the commission in a report which was tabled in the House in January.

• (11:10 a.m.)

This agreement will establish common water quality objectives which will be based on objectives proposed by the International Joint Commission. On the basis of these common objectives, the governments concerned will establish compatible and legally enforceable standards; and they will also commit themselves to carry out the pollution control programs and other measures to achieve the common objectives within agreed time periods. These programs will include accelerated municipal and industrial pollution control programs; the reduction of phosphorus inputs, which is causing particularly serious problems in Lake Erie; the elimination of mercury and other toxic heavy metals from discharges; control of thermal pollution and pollution from radioactive wastes; control of pollution from pesticides and the development of controls for pollution from combined sewer overflows.

This agreement will also provide for effective and compatible regulations throughout the whole Great Lakes system designed to reduce the risk of pollution from shipping and land transportation, including regulations to control waste discharges by ships. The International Joint Commission will be requested to conduct an intensive investigation into pollution from agriculture, forestry and other land source pollution and to create new arrangements for the better co-ordination of water quality research.

The International Joint Commission will be given additional responsibility and authority in the surveillance of the water quality in the Great Lakes and the control of programs of all the governments concerned. The commission will be requested to make recommendations to the governments on the improvement of their pollution control legislation and programs. We agreed to provide the International Joint Commission with the additional staff and other resources it will need to carry out its expanded role.

At our meeting yesterday we also announced a number of co-operative measures which will be put into effect immediately. These include a new joint contingency plan which could be implemented quickly in the event of a

major spill of oil or other hazardous substances. Under this new joint plan the national plans of each country and the Ontario contingency plan will be co-ordinated, so that there will be a joint response to any emergency situation under procedures and arrangements agreed in advance. It was also agreed yesterday that the International Joint Commission should be requested to make a thorough study of pollution problems in Lake Huron and Lake Superior, similar to their recently completed study of the lower lakes pollution problems.

This proposed agreement on Great Lakes water quality should lead to an early improvement in the condition of Great Lakes water, especially in the lower lakes area. The United States will be assuming firm commitments to carry out by 1975 accelerated municipal and industrial control programs, and these programs should greatly reduce the extensive transboundary pollution which exists in many areas. These programs will require expenditures for pollution abatement by the United States many times larger than on the Canadian side.

It will, however, be necessary to accelerate municipal and industrial programs on the Canadian side, particularly in the lower lakes area, so that by 1975 our programs in Ontario will be adequate to achieve the agreed common water quality objectives. I have discussed this matter with Mr. Kerr, because the implementation of many of the Canadian commitments under the proposed Canada-United States agreement will be the joint responsibility of the federal government and the government of Ontario. We have agreed that the apportionment of responsibility among the Canadian government, the government of Ontario and the municipalities concerned for financing the required accelerated program of improvements to municipal sewage treatment facilities in the lower lakes area will be the subject of a detailed agreement to be negotiated between the Canadian government and the government of Ontario. These negotiations will commence right away, since we shall need to conclude our agreement with Ontario before entering into the proposed agreement with the United States next autumn.

It was the view of all who participated at our meeting yesterday that the proposed agreement and the other measures we announced represent a comprehensive and positive response to the recommendations of the International Joint Commission. It will be a precedent for the two countries in dealing with other environmental problems along our boundary, and it will also be a model for other countries in attempting to control pollution across international borders.

Mr. Speaker, with your permission, I should like to table the joint communiqué which was issued at the conclusion of our meeting in Washington yesterday.

Mr. Heath Macquarrie (Hillsborough): Mr. Speaker, I should like to begin by welcoming the minister back from his Washington tour. It is a long time since we have seen the Secretary of State for External Affairs (Mr. Sharp), however. I should like to commend the minister for the promptness with which he reported on this matter to Parliament. I think this is the way ministers should relate themselves to this chamber.

I also say that we join in approval of the declaration of intent which followed this meeting and we look forward to the more concrete and precise statements which the minister has outlined in this program.

I note with some little concern that there was some imbalance in the joint talks. The minister uses the expression "cabinet level delegation". I had thought the minister would be meeting with ministers of the United States government, but that was not the case.

I note no projection concerning the cost of this program, and this matter will concern us, but I do commend the steps that have been taken by this government, the government of Ontario and the United States. I do hope that the minister's forecast that something will be done soon will be borne out. This will be an extremely difficult job; much has to be done. I think it was very wise to give the International Joint Commission greater authority, greater scope of action and, of course, additional trained and qualified personnel in this new and very important role which they must carry through.

I am sorry, however, that this meeting which was designed to be a high level discussion on the TAPS route apparently took no cognizance of that very important matter. We were told on May 17 and on May 26, despite the Prime Minister's lapse of memory yesterday, that there would be a ministerial discussion on June 10 on the TAPS route. I find not a single reference to TAPS in the minister's statement nor in the communiqué. I wonder whether, instead of accusing the member for Hillsborough of having a lapse of memory the government itself is losing interest in this very important matter. The government has failed to fulfil a firm commitment given in the House to discuss the TAPS route. We are allowed to gather from the press inferentially that tacked on at the end of the formal discussions the matter was mentioned in an informal way. This is not sufficient for a problem of such great concern as the trans-Alaska pipeline route with all its potential hazards to the people and the coast of British Columbia.

On this matter I take exception, express concern, voice alarm and say to the minister charged with this matter, who is from British Columbia, that it should have been taken up and that the government of British Columbia should have been represented at that part of the meeting just as the governments of other provinces were represented on those matters dealing with the Great Lakes. The government is remiss in this regard. I think it must take seriously the question of the TAPS route, get its ministers together soon, outline its policy, make a statement in the House and then go vigorously to Washington and present the point of view of the Canadian government and the Canadian people on the terrible dangers of the proposed TAPS route. For this omission I criticize the minister most severely.

Mr. Randolph Harding (Kootenay West): Mr. Speaker, the members of our group welcome the report the minister has given the House on the conference held yesterday

with representatives of the United States in connection with the problem of pollution on the Great Lakes. It is very encouraging that the talks have progressed at least to the point where it is expected that a formal agreement will be signed this fall in respect of measures to be taken to clean up the pollution in this great waterway.

There are one or two points on which I should like to have clarification from the minister some time within the next few days. I note in the press release that the committee yesterday agreed to accept most of the recommendations of the International Joint Commission which were made last December, its report having been presented to us last January. I should like the minister to tell us some time before the end of June which of these recommendations were not acceptable to the committee because sometimes such recommendations are extremely important. I think Canadians are entitled to know which of the recommendations did not meet with general acceptance by the two groups which met yesterday.

• (11:20 a.m.)

As I looked over the report of the International Joint Commission very quickly to refresh my memory, I noted that the commission pointed out very clearly that one of the keys to keeping the Great Lakes free of pollution was control over the rivers and the streams running into the Great Likes from the states and the provinces bordering the lakes. They pointed out that controls must be exercised over the rivers and streams running into these great bodies of water. In this regard provincial jurisdiction and the jurisdiction of the various states that border the Great Lakes are involved. If anything crystal clear came out of the meeting held yesterday and the recommendations which the minister read to the House today, it is that we must have national standards for Canada and strong international standards which must be enforced nationally. The states bordering the Great Lakes cannot be allowed to carry on their own enforcement. The whole area is involved in the pollution problem and one body must exercise some kind of authority in regard to enforcement throughout the whole area. I point out that there is a lesson here for members of the House that we have to progress nationally and make sure that standards are set up which can be enforced in such a manner as to cure the pollution problems in the Great Lakes.

I should like to make one comment on the remarks made by the speaker for the official opposition on the TAPS program and the proposed tanker route down the west coast of Canada. I feel that some reference should have been made to this vital and important problem. It is one which the government must tackle without delay. I hope the government will take a firm stand and present its views to the United States government before an agreement is reached which will allow the TAPS line to be built across Alaska and the establishment of a tanker route down the west coast of North America. We hope we will have some information on this matter before the end of June.

That is all I have to say. Again I should like to commend the minister and the group who went to Washington. It is encouraging to see that at least we are making progress in this regard.

[*Translation*]

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, we appreciate this statement from the Minister of Fisheries to the effect that an agreement has been signed between the United States and Canada. In my view, this agreement is a striking example of co-operation between neighbouring nations on a very current problem, pollution. We are not talking about pollution of streams but rather about pollution of major inland waters, like the Greak Lakes and, hence, probably the great St. Lawrence River which flows through the whole of the province of Quebec.

It was a pleasure to hear the minister say that the Quebec government had delegated Dr. Victor Goldbloom as its representative at the meetings. I regret however that Ontario was not represented at that conference, for Ontario actually borders extensively on the Great Lakes.

At any rate, Mr. Speaker, this agreement, I am sure, will help in cleaning up our Canadian waters and will tend to protect our waterways from the pollution which we are currently faced with.

Therefore, we welcome this announcement and we urge the minister and the government to pursue their activities along these lines so that Canadian waters may be cleaned up.

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[*English*]

PENITENTIARIES

KINGSTON—DISTURBANCE IN WOMEN'S PRISON—REQUEST FOR UNANIMOUS CONSENT TO MOVE MOTION UNDER S.O. 43

Mr. Eldon M. Woolliams (Calgary North): Mr. Speaker, pursuant to Standing Order 43 I ask the unanimous consent of the House to propose a motion on a matter of urgent and pressing necessity. The immediacy of the motion is sparked by the disturbance, yesterday and Wednesday, in the Kingston Penitentiary for Women. Of that disturbance this House knows only what members have read in the papers and heard on the air, but it is only the latest in a series of riots that have erupted with frightening regularity in our prisons. They have brought with them death and destruction. I think that surely in a civilized society, ruled by the standards of religion and morality, all people should be treated with justice and fairness. Therefore I move, seconded by the hon. member for Saint John-Lancaster (Mr. Bell):

That the Standing Committee on Justice and Legal Affairs be authorized to visit our prison institutions, in particular the Kingston Penitentiary for Women, Kingston Penitentiary and Millhaven, to question prisoners and members of the staffs, and to make such other inquiries as to the committee seem necessary.

Mr. Speaker: Hon. members have heard the motion proposed by the hon. member for Calgary North. Under

the terms of Standing Order 43 the motion requires unanimous consent of the House.

Some hon. Members: Agreed.

Some hon. Members: No.

Mr. Speaker: There is not unanimity; the motion cannot be put.

Mr. Peters: May I ask who objected?

Mr. Woolliams: Mr. Speaker, I wonder if I might rise on a point of order. It has nothing to do with this motion. It is a suggestion more than a point of order, and Your Honour might be interested in it. Because of the extension of the hours of sitting, if a member wants to move a motion under Standing Order 26 and has to give the necessary two hours' notice, it is almost impossible to get the notice ready that day.

Mr. Knowles (Winnipeg North Centre): Oh, no.

Mr. Woolliams: Maybe not, but it is next to impossible. Mr. Speaker also has other duties to attend to. In the circumstances I wonder whether the notice could be shortened to one hour during periods when the hours of sitting are extended. I throw out that suggestion for consideration with the thought that the House might agree.

Mr. Speaker: Perhaps the suggestion made by the hon. member on a point of order might be considered by the party representatives, the House leaders, who apparently meet from day to day.

ORAL QUESTION PERIOD

INDUSTRY

JAPANESE OFFER TO BUILD PLANT IN CANADA TO PRODUCE ENRICHED URANIUM

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I wish to direct a question to the Minister of Industry, Trade and Commerce. What reaction did the government express yesterday to the offer of the Japanese delegation who visited Ottawa to build a plant in Canada to produce enriched uranium at a cost of $1½ million, and does the government expect that such a plant will be built in Canada in the reasonably near future?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I must say that I was not present when the subject was discussed. I have a feeling that the subject was raised in the afternoon when the businessmen's mission met with officials of the Canadian government. I would like to remind the hon. member that this is a businessmen's group and is not negotiating on behalf of the government of Japan.

Mr. Hees: Mr. Speaker, having had some experience in dealing with businessmen's groups and finding them far more satisfactory to deal with usually than government delegations, and especially knowing that any delegation from Japan speaks with the authority of that government on a matter of this importance, would the minister look into this most important offer and advise the House as to the reaction of the Canadian government?

Mr. Pepin: Mr. Speaker, I would be very pleased to communicate the opinion of the hon. member on the operations of the government of Japan to the government of Japan.

Mr. Hees: Mr. Speaker, having done that, would the minister do his best to see that this matter is proceeded with as quickly as possible?

ITINERARY FOR FORTHCOMING VISIT OF RUSSIAN TECHNOLOGICAL DELEGATION, NAMES OF OFFICIALS TO BE VISITED, SUBJECTS TO BE DISCUSSED

Mr. Steven E. Paproski (Edmonton Centre): Mr. Speaker, I wish to direct a supplementary question to the Minister of Industry, Trade and Commerce. Would the minister give the House the itinerary for the forthcoming visit of the Russian technological delegation, their program, the names of the officials they will be visiting, and the subject matters for discussion?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I will try to see what I can do on this subject. There is nothing secretive about it. A number of working groups have been constituted. Some have already met. Others will be meeting in the coming months and in the fall. I will try to see if I can provide the information in further detail.

Mr. Paproski: Would the minister also check to see who is going to pick whose brains?

DEVELOPMENT OF PIPELINE AND NATURAL RESOURCE INDUSTRIES—POLICY RESPECTING DISTRIBUTION OF INVESTMENT

Mr. Max Saltsman (Waterloo): I have a supplementary question for the Minister of Industry, Trade and Commerce. In view of the announced intentions of development of pipelines and natural resource industries I should like to ask the minister whether he is working on a policy to plan the distribution of various kinds of investment?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): That is the purpose of the Canada-U.S.S.R. agreement, Mr. Speaker. As the Prime Minister has indicated on a number of occasions, the Soviets know things that we do not, while we know things better than they do. The purpose of the working groups is to bring together this information. On the basis of this information decisions will be taken by the proper departments and the proper ministers on what course of action to take in the future on each one of these items, and pipelines will be one of them.

EXTERNAL AFFAIRS

REQUEST BY INDIA THAT CANADA APPROACH PAKISTAN RESPECTING POLITICAL SETTLEMENT AND RELIEF FOR REFUGEES

Mr. Andrew Brewin (Greenwood): May I direct a question to the Prime Minister. Has he received a communication from Prime Minister Gandhi of India requesting him to approach personally the government of Pakistan with a view to promoting a political settlement and, if possible, mounting a massive and co-ordinated relief operation in East Pakistan as well as in West Bengal?

Right Hon. P. E. Trudeau (Prime Minister): I have received no recent communication on this subject, Mr. Speaker.

Mr. Brewin: Mr. Speaker, if the Prime Minister does receive such a communication would he be willing, of course with the consent of the government of Pakistan—

Mr. Speaker: Order, please. The hon. member will recognize that the question as asked is hypothetical. I would not think that in those terms it would be in order.

* * *

[Translation]

INDUSTRY

CHEMCELL LIMITED—POSSIBILITY OF KEEPING MONTMAGNY PLANT IN OPERATION

Mr. Réal Caouette (Témiscamingue): Mr. Speaker, I have a question for the Minister of Industry, Trade and Commerce.

Does the Minister have further information regarding the coming closing down of Chemcell in Montmagny? Is there any possibility that the company can continue its operation?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): No, Mr. Speaker, there is nothing new about keeping the plant in operation. The only significant development is the fact that the Textile and Clothing Board has agreed that the employees of the plant be eligible for social benefits provided in the legislation on textiles with which I believe my hon. friend to be familiar.

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

Is the minister aware of the fact that the provincial government has, now I believe, brought forward suggestions for use of the plant in another kind of production? Is the minister now in touch with Quebec provincial authorities in this regard?

Mr. Pepin: Not personally, Mr. Speaker, but it may be that my officials are involved in that operation. I will look into it and will of course do everything possible for such co-operation.

Inquiries of the Ministry

[English]

EXTERNAL AFFAIRS

ASSISTANCE TO FORMER RESIDENTS OF SPRINGHILL WORKING FOR PENNSYLVANIA COAL COMPANY AND FACING EXPULSION FROM UNITED STATES

Mr. Robert C. Coates (Cumberland-Colchester North): My question is directed to the Acting Secretary of State for External Affairs. Has the minister been made aware of severe problems facing a group of Canadians, former residents of Springhill, who are employed by a coal mining firm in Pennsylvania, have worked there for one year and have now been informed by the United States immigration and naturalization service that they must leave the United States by June 30?

Right Hon. P. E. Trudeau (Prime Minister): I will take notice of the question on behalf of the minister, Mr. Speaker. I have not been notified personally.

Mr. Coates: If I send over a copy of the correspondence I have, would the Prime Minister be willing to forward it to the Department of External Affairs to see what can be done to assist these people?

Mr. Trudeau: Yes, Mr. Speaker.

* * *

NATIONAL DEFENCE

USE OF MEAFORD TANK RANGE TO TRAIN NATO MILITIA —RELEASE OF SURPLUS PROPERTY FOR DISPOSAL

Mr. P. V. Noble (Grey-Simcoe): I have a question for the Minister of National Defence, Mr. Speaker. Would the Meaford tank range be one of the areas the minister had under consideration when he offered to provide training facilities for NATO militia in Canada?

Hon. Donald S. Macdonald (Minister of National Defence): No, Sir.

Mr. Noble: A supplementary question. Does the government have any plans to release any defence property in Canada to War Assets Corporation?

Mr. Macdonald (Rosedale): Mr. Speaker, there are large quantities of assets, both mobile and land, which from time to time are declared surplus and are transferred. It is very difficult to answer in any general sense the hon. member's question.

INVENTORY OF EQUIPMENT NOT IN USE—STATEMENT ON PROPOSED DISPOSALS

Mr. Eldon M. Woolliams (Calgary North): I wonder if I might ask a supplementary. Has the Minister of National Defence or his colleague made a complete inventory of all equipment not being used and is it possible to have a statement in reference to equipment that is going to be disposed of and in what manner it is going to be disposed of to save the taxpayers' money?

Inquiries of the Ministry

Hon. Donald S. Macdonald (Minister of National Defence): Do we have an inventory of equipment? Yes. Do we have a good indication what we will be using and what we will not be? Subject only to the white paper on defence policy, the answer would be, in general terms, yes. As to when the hon. member can get a statement as to equipment currently up for disposal, I would see no difficulty in that but it would fall under the responsibility of my colleague who is responsible for the Crown Assets Disposal Corporation.

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PENITENTIARIES

KINGSTON—DISTURBANCE IN WOMEN'S PRISON—USE OF TEAR GAS—REQUEST FOR REPORT

Mr. Arnold Peters (Timiskaming): I should like to ask the Solicitor General if he is prepared to make a brief statement to the House regarding the disturbance in the women's section of the Kingston Penitentiary and the orders or instructions that were given that warranted the use of tear gas in this disturbance involving a number of women?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, when minor troubles broke out, 93 women were detained at K ngston; nine of them, for reasons still unknown, decided to cause trouble by refusing to get back into their cells. Finally, they re-entered their cells during the night between Wednesday and Thursday. On Thursday morning, they decided not to eat or leave their cells. Gas was used on the order of the prison superintendent. In the end, one of the women came out and joined the population, another one had self-inflicted injuries and was sent to the hospital; the seven others are in isolation cells, and the situation is entirely under control.

[*English*]

KINGSTON—DISTURBANCE IN WOMEN'S PRISON—RIGHT OF INMATES TO WRITE TO MEMBERS OF PARLIAMENT

Mr. Eldon M. Woolliams (Calgary North): I have a supplementary question. I should like to ask the minister whether his staff have instructed that some of these women be kept in solitary confinement and have instructions gone out from his office—and I am informed that they have—that no prisoner can write to Members of Parliament about complaints? I should like to find out these facts.

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I do not know whether those women keep their privileges. I shall inquire.

[*English*]

Mr. Woolliams: I wonder if I might have an answer to the second part, Mr. Speaker. Has the minister instructed the wardens of the various penitentiaries that no longer can prisoners correspond with Members of Parliament and even may be denied the right to correspond with their lawyers? I am asking the question because I have had information.

[*Translation*]

Mr. Goyer: Mr. Speaker, on the contrary. Today, hon. members will receive a letter advising them that from June 15 on, prisoners will be allowed to write directly to all members, without their letters being opened. Naturally, hon. members will be able to do the same.

[*English*]

Mr. Peters: A supplementary, Mr. Speaker. In light of the statement that the minister has just made indicating that he believes there should be free correspondence between those in penitentiary and Members of Parliament, does he not agree that it is a rather idiotic process if members are not allowed to visit these people? I am sure he is in the same position, that there is absolutely no point in a member gett ng a lot of mail if he is not in a position to know what to do about it. The visits that members made to the penitentiary were an integral part of our responsibility.

Mr. Speaker: Order, please. The hon. member for Winnipeg North on a supplementary.

USE OF HANDCUFFS AND LEG IRONS ON INMATES APPEARING IN COURT

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to ask the Solicitor General whether it is government policy that prisoners who have to appear in court, such as those who were charged as a result of the riot, have to have manacles on their wrists and ankles in moving from prison to court?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I find it as hateful as the hon. member, but circumstances are such that we must take security measures. In the case at hand, in view of the number of prisoners and the accusations made, the authorities of the institution felt it advisable to use those methods.

[*English*]

KINGSTON—CLOSURE OF WOMEN'S PRISON AS RECOMMENDED BY OUIMET COMMISSION

Mr. John Gilbert (Broadview): I have a supplementary question for the Solicitor General. When will the minister be implementing the recommendation of the Ouimet report that the women's prison at Kingston be closed?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, 58 of the 118 recommendations of the Ouimet report are already in force. As for that one, it is now under consideration and gives rise to many problems, but I hope that we will soon find a solution.

[*English*]

Mr. Woolliams: Obviously that means another study.

POLLUTION

GREAT LAKES—COST OF CLEAN-UP—PROPORTION TO BE BORNE BY CANADA

Mr. Walter Deakon (High Park): Mr. Speaker, may I direct a question to the minister responsible for the environment. In view of the minister's statement this morning, has he any estimate of the cost of the clean-up of the Great Lakes? If so, what proportion of that cost will be borne by Canada?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, as I said in my statement earlier today, the cost to the United States will be many times the cost which has to be shouldered by Canadians. The detailed report, published last year by the International Joint Commission, suggested that the cost to the United States would be between six and seven times the cost to Canada of this clean-up.

PROPOSED TAPS OIL TANKER ROUTE—PRESENTATION OF CANADIAN POSITION AT WASHINGTON MEETING

Mr. Paul St. Pierre (Coast Chilcotin): I have a supplementary question, Mr. Speaker. In the course of the discussions in Washington during the last couple of days, was the Canadian government's position on the TAPS line and the oil tanker route down the west coast of British Columbia taken up? If so, with what result?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, this question was taken up by the Secretary of State for External Affairs. He and I talked with Secretary of State Rogers yesterday for some time. The Secretary of State for External Affairs will be back in the House on Monday and he will report on this subject.

AIR—CONTROL PLANS FOR SOUTHERN ONTARIO—DISCUSSION AT WASHINGTON MEETING

Mr. Mac T. McCutcheon (Lambton-Kent): I have a supplementary question, Mr. Speaker. The report of the minister dealt almost exclusively with water pollution. Were any plans discussed, or what plans does the government have, for the control of air pollution in southern Ontario, 90 per cent of which, according to various estimates, is caused by our neighbours to the south? Was this matter discussed?

Hon. Jack Davis (Minister of Fisheries and Forestry): Yes, Mr. Speaker, this matter was discussed at some length. It was decided, however, in respect of the agreement for the fall, that we confine our attention to water. A report is expected this summer from the International Joint Commission dealing with air pollution problems in the Detroit and Windsor areas. When that report has been received we shall have an opportunity to set up similar working groups and perhaps end up with a similar international agreement for action.

Inquiries of the Ministry

PROPOSED TAPS OIL TANKER ROUTE—POSSIBLE STUDY BY INTERNATIONAL JOINT COMMISSION—DISCUSSION AT WASHINGTON

Mr. David Anderson (Esquimalt-Saanich): Mr. Speaker, was the possibility discussed of the International Joint Commission being charged with a study of oil pollution in the Strait of Juan de Fuca and the Strait of Georgia, similar to the studies it is carrying on with respect to the Great Leakes, with a view to having such study presented to the United States Department of the Interior's analysis of the Prudhoe Bay to Valdez to Puget Sound oil tanker route?

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, this subject was not discussed formally. However, it is a possible development and one which should be considered carefully.

Mr. Anderson: With regard to the joint U.S.-Canada oil spill contingency plan for the Great Lakes which the minister mentioned in his statement and said was designed to work in advance of problems, was there discussion also about extending this plan to include Canada's west coast as well as the east coast?

Mr. Davis: Mr. Speaker, again the answer is no. The discussions yesterday related to the specific recommendations of the International Joint Commission and embodying these specific recommendations respecting the Great Lakes in a formal document to be signed this fall. However, outside the meeting there were references to the extension of arrangements of this kind to other areas along the boundary with the United States.

GREAT LAKES—AGREEMENT WITH ONTARIO ON SHARING OF COST OF CLEAN-UP

Mr. Randolph Harding (Kootenay West): I have a supplementary question, Mr. Speaker. Have the federal government and the province of Ontario discussed the cost-sharing in connection with problems they will meet in the pollution clean-up?

Hon. Jack Davis (Minister of Fisheries and Forestry): Yes, Mr. Speaker. It was necessary to have an agreement in principle with Ontario before we went to the meeting in Washington yesterday. However, the details of this agreement which involve finance will now have to be hammered out. We agreed on the basic principles. The precise dollar figures have to be arrived at.

PROPOSED TAPS OIL TANKER ROUTE—DISCUSSION AT WASHINGTON MEETING

Hon. George Hees (Prince Edward-Hastings): A supplementary question, Mr. Speaker. When such an excellent opportunity presented itself for discussing the TAPS route with the United States Secretary of State, why did the Canadian Secretary of State for External Affairs, the Canadian minister in charge of pollution and the gentle-

men in the United States in charge of the program not take advantage of this opportunity to proceed with discussions?

Mr. Speaker: Order, please. It seems to me that the hon. member's question is more in the form of argument. If I did not interpret the hon. member's question correctly, perhaps the minister might be allowed to reply.

Hon. Jack Davis (Minister of Fisheries and Forestry): Mr. Speaker, my earlier answer was that the question was discussed with Secretary of State Rogers. I believe that the Secretary of State for External Affairs will be reporting on this as well as on other matters on Monday when he returns to the House.

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): Mr. Speaker, arising out of the discussions which the minister and the Secretary of State for External Affairs had with Secretary of State Rogers, since the minister himself is charged with the responsibility for dealing with the environment can he tell the House, first, whether the Canadian government asked the American government to abandon the TAPS program? Second, has the government received any indication at all that the American government is prepared to reconsider this program, or has a final decision been made with respect to it?

Mr. Davis: Mr. Speaker, these are important questions. However, I would prefer to leave the answer to the Secretary of State for External Affairs who will be here on Monday.

Mr. Douglas: During these discussions did the minister or the Secretary of State for External Affairs make any representations regarding any future nuclear testing on Amchitka Island?

Mr. Davis: No, to my knowledge there were no representations on that subject, Mr. Speaker.

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INDUSTRY

TOBACCO—STEPS TO MINIMIZE EFFECTS OF LEGISLATION RESPECTING ADVERTISING ON PRODUCTION AND MARKETING

Mr. William Knowles (Norfolk-Haldimand): Mr. Speaker, my question is for the Minister of Industry, Trade and Commerce. Since the export of our leaf tobacco brings $60 million in foreign exchange and since the legislation introduced yesterday by the Minister of National Health and Welfare dealt a body blow to the tobacco industry, what steps will the minister be prepared to take to minimize the effect of this over-restrictive legislation on the normal production and marketing of a legitimate product?

Mr. Speaker: Order, please. The question is perhaps in the form of argument, but as the matter is important the minister might be allowed to reply.

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, I suggest that this matter could be debated fully when the bill is debated in the House.

[*Translation*]

Mr. Speaker: The hon. member for Joliette.

Mr. Roch La Salle (Joliette): I should like to put a supplementary question—

Mr. Speaker: I apologize to the hon. member for Joliette.

[*English*]

The hon. member for Saint John-Lancaster rises on a point of order.

Mr. Bell: On a point of order, Mr. Speaker, the Minister of National Health and Welfare made a statement, not in the House but outside, on a matter that will affect the tobacco industry for many years to come. We have absolutely no way of getting at it. Surely the minister, as a courtesy to the tobacco farmers, should say something so that we will know what their position is.

[*Translation*]

Mr. Speaker: The hon. member for Joliette.

Mr. La Salle: Mr. Speaker, I would like to ask—

[*English*]

Mr. Hees: On a point of order, Mr. Speaker—

Mr. Speaker: Order, please. I apologize to the hon. member for Joliette a second time, but there is another point of order.

Mr. Hees: Mr. Speaker, the minister made it clear yesterday that this bill would be proceeded with in the fall, three months from now. This is a vitally important question for some very important producers in Canada, and it is an insult to them and to the country to suggest that they have to wait three months for the answer.

Mr. Speaker: Order, please.

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[*Translation*]

SUGGESTED MEETING OF MINISTER AND COMPANY REPRESENTATIVES ON CIGARETTE PRODUCTS BILL

Mr. Roch La Salle (Joliette): Mr. Speaker, I was going to say that I am having many troubles with the conservative members!

I should like to put a question to the Minister of Industry, Trade and Commerce.

Since the cigarette industry is concerned because of measures announced yesterday by the Minister of National Health and Welfare and considering the economic consequences it may suffer, would the minister tell the House whether he intends to meet as soon as possible

with the leaders of this industry so as to avoid any misunderstanding which might arise between the latter and the government?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Mr. Speaker, if Freud were here, he would find that we are all a bit ambivalent. I was listening this morning to a statement by a spokesman for the tobacco industry to the effect that the act would not change anything. So, it will be the one or the other: things will change or they will not! If the industry states that not much will be changed, then I do not see why we should worry unduly.

But in this case we shall continue, until the bill is studied in the House, to apply our present policy. My department will maintain its efforts to help the sale of tobacco outside Canada, and I imagine that the companies will do as much to sell it on the Canadian market.

[*English*]

Mr. John Gilbert (Broadview): A supplementary question, Mr. Speaker. Would the minister remind the Minister of National Health and Welfare that he could save the lives of many Canadians who could be harmed by nicotine?

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INDIAN AFFAIRS

REQUEST FOR RESTORATION OF GRANT TO UNION OF NOVA SCOTIA INDIANS FOR ECONOMIC DEVELOPMENT STUDY

Mr. Robert Muir (Cape Breton-The Sydneys): My question was for the Minister of Indian Affairs and Northern Development who was supposed to be here today according to the information provided by the government. In his absence may I direct it to the acting minister who may wish to take notice of it. In light of information that an agreement was made at the regional level with the Union of Nova Scotia Indians that funds would be provided to the union for another six months to enable a study of economic development on Indian reserves in that province to be continued, and in view of that fact that the union has now been advised that these funds have been cut off, would the minister be good enough to investigate this problem immediately and ascertain whether corrective action can be taken to replace these funds?

Hon. Robert K. Andras (Minister without Portfolio): I will be glad to bring this question to the notice of the minister and get a reply as soon as possible.

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NATIONAL CAPITAL REGION

POSITION RESPECTING E. B. EDDY PLANT

Mr. Thomas M. Bell (Saint John-Lancaster): My question is for the minister in charge of housing. In my effort to get some information on the E. B. Eddy plant I asked questions on June 3 and 8 about this matter of both the minister responsible for housing and the Minister of Fisheries and Forestry but received negative answers. May I ask the minister responsible for housing whether the plans which have been noted in the papers for the E. B. Eddy plant will now go forward in any shape or form and, if not, why not?

Hon. Robert K. Andras (Minister without Portfolio): I made a fairly elaborate statement on this matter before a standing committee of the House the other day. I will simply say we have held some discussions about the Eddy plant. There are no deadlines for action at this stage, and there really is nothing further I can tell the hon. member.

Mr. Bell: In other words, there was a lot of hot air blowing over from Hull.

Mr. Knowles (Winnipeg North Centre): Two-way.

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POLLUTION

GREAT LAKES—PROVISION OF NECESSARY POWERS TO INTERNATIONAL JOINT COMMISSION

Mr. Randolph Harding (Kootenay West): I wish to address a question to the Minister of Fisheries and Forestry. Will the International Joint Commission be given all the expanded powers necessary to oversee pollution control activities on the Great Lakes?

Hon. Jack Davis (Minister of Fisheries and Forestry): Yes, Mr. Speaker.

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EXTERNAL AFFAIRS

INDIA—EAST PAKISTAN REFUGEES—ADDITIONAL FINANCIAL ASSISTANCE

Mr. Jack Murta (Lisgar): I should like to direct my question to the Prime Minister. Having regard to the refugee and cholera crisis in India and the need for OXFAM to make an emergency public appeal for greater voluntary contributions in Canada, is the government itself considering providing further financial assistance?

Right Hon. P. E. Trudeau (Prime Minister): I shall have to discuss this matter with the Secretary of State for External Affairs. I announced the other day some steps which have been taken in this direction. I do not know whether any further action has been taken since then.

Mr. Andrew Brewin (Greenwood): Would the Prime Minister consider suggesting to the Secretary of State for External Affairs that he make a statement on motions on this subject?

Mr. Trudeau: I will discuss it with him, Mr. Speaker.

Inquiries of the Ministry

CONSUMER AFFAIRS

AUTHENTICITY OF LIPPIZAN STALLIONS APPEARING IN SHOW

Mr. H. W. Danforth (Kent-Essex): I should like to have directed my question to the Minister of Consumer and Corporate Affairs but he is not in the House today. Perhaps the acting minister or another member of the cabinet might take it as notice. It concerns the great interest shown by a large number of Canadians in the opportunity being presented to them to view the famous Lippizan stallions. My question concerns a rumour that the animals being presented in Canada may not, in fact, be from Europe or belong to this famous breed. Would the Minister of Consumer Affairs have his staff investigate the advertisements regarding these public events in order to evaluate the veracity of the claims which are being made?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, I shall call the minister's attention to this matter.

* * *

[*English*]

EXTERNAL AFFAIRS

ORIGIN OF ARMS FOUND AT ASCOT, ENGLAND

Mr. Heath Macquarrie (Hillsborough): I should like to direct a question to the Minister of National Defence and ask him how his investigation of the Ascot arms case is progressing? Has he yet ascertained the identity of the arms?

Hon. Donald S. Macdonald (Minister of National Defence): We have not identified them yet. We have no information from the British authorities on what source they emanated from and what the types are.

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CANADIAN PACIFIC RAILWAY

REDUCTION OF EMPLOYEES' AND PENSIONERS' PASS PRIVILEGES

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Minister of Transport in the absence of the minister. On May 25 I asked the Minister of Transport a question concerning the action of the Canadian Pacific Railway Company in cutting out pass privileges for its employees and pensioners. The minister said he would make representations about this matter. Have these representations yet been successful?

Hon. James Richardson (Acting Minister of Transport): Mr. Speaker, the Minister of Transport is away on government business but he has asked me to reply on his behalf on the basis of a statement which was received this morning from the CPR. The statement is to the effect that the CPR has decided to reinstate pass and half-fare transportation privileges for pensioners, widows and employees who wish to travel on The Canadian. The move revokes a previous decision made public May 10, 1971, which would have cancelled the transportation privileges on The Canadian beginning June 15. Naturally the Minister of Transport and the government are very pleased with this action by the company.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): In view of this welcome success which the government has had with the CPR, will the Minister of Transport continue his efforts to get the company to give a better deal to its retired employees in the matter of their pensions?

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INDUSTRY

TEXTILES—INQUIRY AS TO STATEMENT ON FINDINGS OF REVIEW BOARD

Mr. Louis-Roland Comeau (South Western Nova): I have a question for the Minister of Industry, Trade and Commerce. I should like to ask the minister whether he will be making a statement before the end of the session on the findings of the Textile Review Board so that we may assess exactly what they are doing?

[*Translation*]

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): I think so, Mr. Speaker.

* * *

[*English*]

POLLUTION

EXTINGUISHING OF SPRINGHILL MINE DUMP FIRE

Mr. Robert Coates (Cumberland-Colchester North): Mr. Speaker, last week I asked the Minister of Energy, Mines and Resources whether he would report to the House on the meeting he had with the Minister of Mines of Nova Scotia on the extinguishing of the mine dump fire at Springhill, Nova Scotia. Is the hon. gentleman now in a position to answer that question?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): The hon. member asked me this question some time ago and I had an answer prepared by officials of the department. A report by the department, which was handed to the Nova Scotia department of mines, discusses the possibility of reclaiming the residual coal in the dump for use in thermal electric power generation. This was discussed with the minister and senior officials of the Nova Scotia Department of Mines who are, we understand, reviewing the feasibility of using the proposal as a basis for reclaiming the coal at Springhill and other dumps in the province.

THE CENSUS

COMPLETION OF FORMS BY STUDENTS AT HIGH AND ELEMENTARY SCHOOLS

Mr. Eldon M. Woolliams (Calgary North): I should like to ask the Minister of Industry, Trade and Commerce a question with reference to the census. I am advised that the census has been extended to students in high schools and elementary schools. Why is this being done when their parents have completed their forms at home? Is this a check on the parents? What is the reason for taking a separate census from students in schools?

Hon. Jean-Luc Pepin (Minister of Industry, Trade and Commerce): Students who are so asked to fill census forms must know that their parents have already done so, and should answer accordingly.

Mr. Woolliams: Do I take it, then, that students have the right to refuse to answer these questions which appear to be checking up on the answers given by their parents?

Mr. Pepin: Similarly some hon. members of this House were telling me that they received a questionnaire both at their official address and at their home address and they asked me which one they should fill out. Obviously the answer is where they live in normal times and that is a decision they have to take.

Mr. Knowles (Winnipeg North Centre): What are normal times?

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ENERGY

NEGOTIATIONS WITH UNITED STATES ON AGREEMENT FOR UNLIMITED ACCESS OF CANADIAN CRUDE OIL

Mr. T. C. Douglas (Nanaimo-Cowichan-The Islands): May I direct a question to the Minister of Energy, Mines and Resources arising out of the suggestion by President Nixon that negotiations should begin with the Canadian government regarding unlimited access of Canadian crude oil to the United States. I want to ask the minister whether any negotiations have begun or whether he has received any intimation from the government of the United States as to what such an agreement might contain?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Discussions have been going on for some months at the official level and they are continuing. I have nothing to report at this time but I feel quite sure that they will progress satisfactorily as the President of the United States has envisaged.

Mr. Douglas: In view of the fact that the decision to drop the restrictions on Canadian oil to United States markets is a unilateral one, what is involved in the agreement which is being discussed? Are there other energy resources or commodities under discussion as a quid pro quo for allowing Canadian oil to enter the United States market?

Inquiries of the Ministry

Mr. Greene: Mr. Speaker, I think I said to the House previously that Canada's position in the discussions has at all times been that the unilateral restriction by the United States was unwarranted and benefited neither country. We have been attempting to persuade the United States equally that their total embargo on uranium is also an unwarranted restriction on trade between our two countries.

[*Later:*]

DISCUSSIONS ON SHARING OF RESOURCES WITH UNITED STATES—ACCESS TO AMERICAN MARKET FOR MANUFACTURED GOODS

Mr. Max Saltsman (Waterloo): Mr. Speaker, I should like to direct a question that is supplementary to the earlier question asked the Minister of Energy, Mines and Resources. In his discussions with the United States on the sharing of energy resources, has the minister made it a condition for Canada entering into an agreement that we have access to the U.S. market for our manufactured goods?

Hon. J. J. Greene (Minister of Energy, Mines and Resources): Mr. Speaker, there has been no discussion at any time with the United States on the sharing of energy resources. The subject of the discussions has been that there be free and unfettered opportunities for trade.

[*Later:*]

Mr. Saltsman: Mr. Speaker, I have another question for the Minister of Energy, Mines and Resources. In his discussions with the United States on free and unfettered opportunities for trade, has he asked the United States to consider the removal of their tariff barriers on Canadian manufactured goods?

Mr. Greene: Mr. Speaker, tariff negotiations do not take place specifically within the ambit of bargaining for removal of restrictions on trade in respect of energy resources, but certainly this is a very interesting suggestion and one that will probably be pursued in the future.

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THE CANADIAN ECONOMY

FOREIGN OWNERSHIP—PUBLICATION OF REPORT TO CABINET

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I wish to direct my question to the Prime Minister. The Prime Minister has declared that the government is committed to proposing a foreign investment policy. My question is: Is the Gray report now going to be made public?

Right Hon. P. E. Trudeau (Prime Minister): Mr. Speaker, there is no such thing as the Gray report. The minister is going to propose in a memorandum to cabinet certain positions for discussion by the government, and the government will announce its policy in due course.

Unemployment Insurance Act, 1971

CANADA DEVELOPMENT CORPORATION

INQUIRY AS TO APPOINTMENT OF PRESIDENT

Hon. George Hees (Prince Edward-Hastings): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the government had any success at all in persuading anybody to take over the presidency of the Canada Development Corporation?

I should like to ask a supplementary question since I do not seem able to get an answer. Obviously there has been no success, even after about 25 tries. Has the government given consideration to upping the salary from the proposed $75,000, which has had no takers, to $100,000 so as to try to get the government out of the very embarrassing position in which it finds itself?

[*Later:*]

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I have a question that is supplementary to the question asked a moment ago by the hon. member for Prince Edward-Hastings of the Prime Minister. Could the Prime Minister give the House an assurance that the present Minister of Finance will not "pull a Pickersgillian" and take the position of manager of the Canada Development Corporation?

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POST OFFICE

APPROVAL OF POSTAL RATE INCREASES BY PRICES AND INCOMES COMMISSION

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs, who is not with us this morning, but because of its importance perhaps I could address it to the acting minister or to a member of the treasury benches who is concerned about this matter. In view of the fact that the proposed increase in first class postal rates amounts to a 100 per cent increase in the cost of local mail delivery since this government took office in 1968, has this matter been referred to the Prices and Incomes Commission for their approval in view of its inflationary impact?

[*Translation*]

Hon. Jean-Pierre Goyer (Solicitor General): Mr. Speaker, the minister will certainly give an answer to the hon. member in due time.

• (12:10 p.m.)

[*English*]

GOVERNMENT ORDERS

UNEMPLOYMENT INSURANCE ACT, 1971

PROVISIONS RESPECTING INSURABLE EMPLOYMENT, COMMISSION BENEFITS, PREMIUMS, ADMINISTRATION, ETC.

The House resumed, from Thursday, June 10, consideration of Bill C-229, respecting unemployment insurance in Canada, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Speaker: When the House rose last evening motion No. 9 had been disposed of. The House will now proceed to motion No. 10, standing in the name of the Minister of Labour. Mr. Mackasey—

Mr. Knowles (Winnipeg North Centre): Where is he?

Mr. Speaker: Mr. Greene, for Mr. Mackasey—

Some hon. Members: Stand.

Mr. Speaker: Is it the wish of the House that this motion stand and that we proceed to the next motion?

Mr. Knowles (Winnipeg North Centre): The minister is coming in now, Mr. Speaker.

Mr. Speaker: The hon. member's intervention is very useful.

Hon. Bryce Mackasey (Minister of Labour) moved:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by striking out lines 30 to 32, inclusive, at page 19 and substituting therefor the following:

"section 46,

(c) payment was retained under subsection (3) of section 49, or

(d) he was fully employed during such period."

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

Mr. Alexander: Mr. Speaker, I hope that the minister will give us some clarification as to the need for the amendment. As Your Honour knows, we have been pursuing this bill with some vigour in committee, so I hope the minister will inform the House what he is attempting to do through this amendment, for the edification of hon. members.

Mr. Mackasey: Mr. Speaker, I think the House is entitled to an explanation of my reason for making this particular amendment. It arises from discussions and debate in the committee, and particularly as a result of some of the representations made by the members of the committee that resulted from the brief presented by the United Auto workers. If you will recall, Mr. Speaker, in establishing the period of 29 weeks—

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

Mr. Speaker: Order. The hon. member is rising on a point of order.

Mr. McCutcheon: Mr. Speaker, my point of order is that the microphone at the minister's desk is not functioning properly. I wonder whether the rules could be changed to allow the minister to go to another desk so that we can hear what he has to say. I am sure all hon. members are interested in his words.

Mr. Speaker: I am not sure that is the difficulty. It may be the way the minister is standing. Perhaps he might try to get closer to the microphone. If that is not the

trouble, I am sure all hon. members want to hear his remarks and will allow him to speak from another desk.

Mr. Mackasey: Mr. Speaker, I have raised this point on several occasions. Perhaps we should return to the good old days when the microphones were above us. We did get into the definition of a speaker yesterday, and I was embarrassed about it. I am sure it left the Chair embarrassed as well. I will try again if it helps. I was mentioning—

Mr. Speaker: Order. I see from the reaction of hon. members that apparently they have the same difficulty. I am sure it would be easier if the minister were allowed to speak from another desk and to try another microphone. Then, we can determine whether it is the microphone or the voice of the minister that is causing the trouble.

Mr. Mackasey: I can assure the House it is not a Freudian slip, Mr. Speaker, it is just an order from the boss. I am getting further and further from the left, and I can see I am going to be influenced all afternoon by the very positive force opposite.

During the committee hearings the United Auto Workers pointed out what they thought was an anomaly in the act. This was after we had discussed the exercise of the 15 weeks' benefits over a period of 29 weeks. There was also some discussion of the period being terminated after four weeks without claim. It was presumed, of course, that the individual would have been working or some thing of this nature.

As a result of that discussion in committee, it occurred to the department and to my staff that we were unintentionally penalizing certain workers or creating a situation where certain people in the work force could be penalized. As you are aware, the major attachment claim entitlement is three weeks' payment, then 12 weeks and then 10 weeks for a total of 25 weeks' benefits. The first 15 weeks can be drawn over a period of 29 weeks. After that period, the 10 weeks' entitlement must be drawn consecutively, and I think we all agree with this. However, this section provides for four weeks in this period for which no benefits are paid, and then the individual must re-establish a claim. That is, he must prove a minimum of eight weeks' attachment. This is what the United Auto Workers complained about and suggested could, in fact, be a disincentive to work. The effect of the amendment that I am proposing, with the unanimous consent of the House, of course, would be to withdraw this restriction; that is, first where the individual was fully employed during that period or where no payment was due to previous overpayments. What we are saying in effect is that if you are not drawing unemployment insurance for four weeks as a result of working, you are not penalized by having to re-establish your claim, thus losing your two weeks' benefits.

An hon. member for the opposition pointed this out to me a week or so ago, and I think he was quite right. Consequently, this would be a disadvantage. So a worker who had an opportunity while unemployed and drawing insurance benefits to pick up four weeks' work would have the tendency to reject the work, because if he accepted it this would mean that when the four weeks were up and he went back to the unemployment insurance office he would have to lose two weeks' benefits all over again and go through the same procedure. Rather than do this he would pass up the opportunity to work for four weeks.

We say if you are divorced from unemployment insurance benefits for four weeks, specifically because you are working during that time, you will not be penalized and you can return precisely as though you had not accepted the part-time job. This is the sole purpose of the amendment and I hope the House concurs.

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

Mr. Knowles (Winnipeg North Centre): Carried.

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

Some hon. Members: Carried.

Motion No. 10 agreed to.

Mr. Knowles (Winnipeg North Centre) (for Mr. Skoberg) moved:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting paragraph (a) of subclause (2) of clause 44, in lines 21 to 24 at page 27, and by substituting therefor the following: "(a) he is not directly involved or participating in the labour dispute that caused the stoppage of work; and"

He said: Mr. Speaker, we have made a good beginning this morning in that the first amendment to be proposed has been carried. I hope that pattern will continue in respect of this one. I am happy to move motion No. 11 on behalf of the hon. member for Moose Jaw (Mr. Skoberg) who presented this same amendment in the committee. I realize that the committee did not accept it, but I hope the minister and his officials have given further study to this matter in the meantime.

This amendment goes into the bill at that place where we are dealing with the effects of a strike or stoppage of work on unemployment insurance benefits. It is accepted that there are certain conditions under which participation in a strike itself disentitles one to benefits, but then there is subclause (2) of clause 44 which provides for exceptions to the practice of disentitling such a person from benefits.

We feel that the wording of paragraph (a) casts too wide a net. We feel that it creates a danger of catching too many people and, indeed, of denying unemployment insurance benefits to persons who ought not to be so denied because of their participation, their interest or support of a strike, it not being direct. The words of the clause as they are in the bill read:

Subsection (1) is not applicable if a claimant proves that (a) he is not participating in or financing or directly interested in the labour dispute that caused the stoppage of work—

We would like to suggest that this be reduced to the words of the amendment so that it would then read "the

subsection is not applicable if the claimant proves that he is not directly involved or participating in a labour dispute that caused the stoppage of work".

As I say, this matter was fully debated in the committee. It seems to me the proposal made by the hon. member for Moose Jaw is a reasonable one and I hope the minister might now be prepared to accept it.

Mr. Mac T. McCutcheon (Lambton-Kent): Mr. Speaker, I must say at the outset in respect of the remarks just concluded by the hon. member for Winnipeg North Centre (Mr. Knowles) that I agree with his summation. This wording is pretty woolly in the phrase used, "directly interested". We are leaving a loophole there that could cause great consternation and difficulty in matters as delicate as labour disputes. We should approach this problem directly, and since this wording seems to be very woolly I have no hesitation in supporting the amendment.

Mr. Stan Schumacher (Palliser): Mr. Speaker, it seems to me that this clause is aimed at discouraging a union which is not involved in a work stoppage or dispute from financing a union that is on strike. I would agree with the hon. member for Lambton-Kent (Mr. McCutcheon), that the wording of this clause is very woolly. If there is to be any amendment to this clause it should be one that tightens it up to make the objective clear. I cannot see why somebody should expect to receive money from the unemployment insurance fund while at the same time the union to which he belongs and is paying dues is financing another union that is directly involved in a work stoppage. While the present clause is fairly loose, that is probably its intention. I certainly would not want to support any amendment which would derogate from that intention. I certainly cannot support the amendment by the member for Winnipeg North Centre. I hope the minister will give some consideration to making it absolutely clear that we are not going to have one union financing another union while its people are drawing money from this fund.

• (12:20 p.m.)

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker. I think the hon. gentleman who just spoke is quite accurate in his analysis of the existing clause and the purpose behind the clause. As the hon. member for Winnipeg North Centre (Mr. Knowles) mentioned, this matter was debated at great length in the committee. Perhaps I might have a minute to explain the philosophy behind the whole thing. Periodically, we should be reminded that unemployment insurance is not something which exists exclusively for the benefit of the workers. The fund is financed by the employers and the employees of the country. The general rule is that we have no intention to use our unemployment insurance fund to finance a strike. Therefore, one of the basic things the commission makes certain of is that we do not finance strikes out of funds that are equally proportioned between employer and employee. In other words, I do not think anyone would want to finance a strike with moneys which partly belong to the employers of the country. I believe that is clear-cut.

[Mr. Knowles (Winnipeg North Centre).]

However, we go a little further in protecting the fund. We might take the example of a person who is not a member of a union but who became unemployed as a result of a strike over which he had no control. He may be a janitor or a person sweeping the floors. He may come to the commission and say he is out of work because of a strike in which he is not involved. Our answer to him would be that, even though he is not a member of the union and may not have a direct voice in the decision to go on strike, he would benefit from the end result of the dispute because the collective agreement covers not only the unionized employees but all employees. While he may not have a direct participation in the strike he does have, in most cases, a financial interest in the outcome because the end result would mean an increase in his income. If that same company owned three, four or five different operations or, let us say, had activities spread over various branches, and if these branches were affected by a strike or were in some way affected by lack of material and things of this nature, then in that case the employees of these other branches would not be deprived of their unemployment insurance.

We have a case in Flin Flon, for instance, where the craft unions are on strike and the steel workers are not. The steel workers will not benefit by the settlement of the craft workers' dispute and therefore, at the moment, are eligible for unemployment insurance because the plant has been closed down as the result of an action over which they had no control and because when the financial settlement is reached they will in no way be involved. So, they are eligible. Really, we are protecting the fund, but we give as much latitude as possible to the commission to make certain that no one is intentionally deprived of his normal right. Fortunately, because of the way the commission operates, there is sufficient jurisprudence which has been accumulated over the past 20 or 30 years which can be used by the officials, referees and umpires in making certain that justice is done in the case of people who may not be members of a union but who are affected by the labour dispute.

So, I must recommend that this amendment be rejected because, although I understand and sympathize with the reasoning of the hon. member who proposed the amendment, and who unfortunately cannot be here today, I must remind myself and others must remind themselves that we have an immediate obligation to the employers as well as the employees of this country who participate financially to the same extent to make sure we do not finance a strike with the employers' money. On the other hand, we cannot encourage people who remain outside a union and refuse to participate in any shape or form to come lamely to the unemployment insurance commission and say that if they had given in there would not have been a strike so, therefore, they would like to have the unemployment insurance money. We cannot encourage this because eventually these people will get the pay raise or the advantage of the improved conditions which the collective agreement will bring about.

Mr. Woolliams: Mr. Speaker, I wonder whether the minister would accept a question.

Mr. Mackasey: Certainly.

Mr. Woolliams: Mr. Speaker, I am seeking information. I know the minister has had more experience than I have had in union affairs. It is possible that one class of workers, A, and another class of workers, B, could belong to the same union, C. The A workers are on strike and the B workers are not on strike. Under the terms and conditions of this bill would B, with no responsibility, be entitled to the benefits? The thing about the financial participation is that both workers A and B may be contributing to the same union and the contribution of both may be assisting A from the union's point of view. Would B then be entitled to the unemployment insurance benefits even though contributing to the union and therefore indirectly contributing to the workers A?

Mr. Mackasey: Mr. Speaker, if I did not quite grasp the hon. member's point, I am sure he will understand. I do not know offhand of any cases where a union would be legally on strike when that strike would not be binding on all members of the union. I think this rarely occurs. On the other hand, there could be in that same plant members of another union. I mentioned the strike at Flin Flon in which the steel workers who have completed their collective agreement and who are prepared to work are out of work because the plant is now struck as a result of a labour dispute between the employer and members of a group of unions called craft unions. The craft union members are not entitled to unemployment insurance because the strike is the result of their direct decision, but the steel workers are entitled to unemployment insurance because they had no participation in the decision-making that brought about the strike, nor will they benefit in any way from the ultimate result of the strike in so far as increased pay or benefits are concerned. The criteria are, first, whether the person involved has a voice in respect of the creation of the strike and, second, even if he is not a member of the union and did not have a voice whether he will eventually benefit from the strike.

In passing, I might point out that through jurisprudence and through our past decisions, a precedent has been established that when people are laid off as a result of a deliberate slow-down prior to a strike, thus reducing productivity or impeding the productivity of that particular employer with the result that he may have to cut back his work force, if these people apply for unemployment insurance and if it can be proven that this has been due to a deliberate slow-down, they cannot draw unemployment insurance. Sometimes these cases go to appeal. Sometimes a decision is made on the side of the employee and sometimes on the side of the employer. There is an effort to maintain a balance between the employer and the employee. The two basic rules are, first, that one should not benefit in any way materially from the end result of the labour dispute and, second, that one should have had no voice in fomenting a strike because if he had a voice he could not draw unemployment insurance.

Mr. Woolliams: Mr. Speaker, perhaps I could make myself a little clearer.

The Speaker: I understand the minister is willing to entertain these questions. I think it is understood that the minister is still deemed to have the floor at the present time but is replying to questions of hon. members.

Mr. Woolliams: I may not be quite right in respect of what I have in mind, but I shall give an example. Suppose in respect of the railways the engineers went on strike and the trains were stopped. The conductors belong to the same union and they are paying their dues to the union, as are the engineers. The conductors may not want to go on strike. Would it be possible for the conductors to draw unemployment insurance because they are not working and the engineers who belong to the same union have stopped the trains?

• (12:30 p.m.)

Mr. Mackasey: I will be accused of giving an ambiguous answer but the determining factor is probably the reason the conductors are not working. If they choose not to work because they respect the picket line put up by the striking union, they cannot draw unemployment insurance. If the company were to shut down all operations, thus divorcing the conductors from their weekly pay, then in all probability the Unemployment Insurance Commission would rule that these people were denied their regular income for reasons beyond their control. If workers choose not to work because they want to respect the picket lines, then they do not draw unemployment insurance. It requires no courage to respect the picket line if they know their loss of income will be offset to some extent by unemployment insurance.

Mr. Ritchie: It seems to me that this subclause is a continuation of the previous subclauses (b) and (c). How easily could a worker laid off under this clause be able to obtain bona fide regular employment in the same occupation as under (b) and (c)? In other words, if a worker were laid off and obtained a job even for one day, would he qualify for the full unemployment insurance?

Mr. Mackasey: What this really means is that if a worker is laid off and he found work for, say, eight weeks, he would begin once again to accumulate benefits. In that event, if he is unemployed, he is entitled to unemployment insurance, but the insurance would take into account also other attachments which he had before being laid off.

Mr. Barnett:: I realize that we are not in committee of the whole, but I suggest that this is one of the most delicate areas in the whole application of the Unemployment Insurance Act. Perhaps, Mr. Speaker, you would permit me to direct a rather extended question to the minister so that I can have a response from him.

Mr. Speaker: I understand the purpose of the hon. member, but we still have to proceed in an orderly fashion. The minister has the floor or has not. If he has relinquished the floor, he has spoken once and cannot speak a second time unless by unanimous consent of the House. I certainly do not want to stand in the way of the minister making a second statement but, as the hon. member for Comox-Alberni (Mr. Barnett) has pointed out, we are not in committee of the whole, and we should follow the usual procedure when we are not in committee of the whole.

Mr. Mackasey: Also, Mr. Speaker, I am very suspicious of extended questions.

Mr. Barnett: If there are other hon. members who wish to ask unextended questions, which you are prepared to permit, I will yield the floor to them.

Mr. Speaker: My understanding is that the minister has now relinquished the floor.

Mr. McCutcheon: In speaking on this measure, I should like to point out to the minister that there is a great deal to be gained in this place by such exchanges and discussions as we have had. My first comment was based directly on reading what appears here. Having regard to the minister's explanation, and to the fact that ladies have the prerogative of changing their minds, which I also trust extends to Members of Parliament, I thank the minister for his explanation and I withdraw my previous objection.

Mr. Lincoln M. Alexander (Hamilton West): I have just a short statement on the point being debated now. As members have indicated, the amendment is extremely important and I have every sympathy for what my NDP colleagues are attempting to do. However, I think the important word which they left out is "finance". This point has been clarified by the minister. It has many ramifications which are not clearly understood but, as I understand it, there is no hard and fast rule. I do not wish to interrupt the minister's conversation but I hope he is listening to my comments. As I understand it, this situation is being dealt with under the regulations, and every instance is dealt with on its own merits. Therefore, there is room for correction of any injustices or ambiguities. I notice that the minister is nodding his head, so it appears that there is some safeguard in the bill. I will, therefore, join my colleagues with great reluctance in not supporting the amendment put forward by the NDP.

Mr. Arnold Peters (Timiskaming): I have been interested for a long time in the interpretation by the Unemployment Insurance Commission of the words "directly interested in". This has, in many cases, been used in various ways and changes have taken place for various reasons in the decisions that the commission has made. In the matter of financing, I presume the minister is not referring to persons who are making a donation. He is more interested in the direct financing of a situation and this probably has a different connotation. Many unions assist in the financing of a labour dispute and yet they are in no way involved in the process of making the decision that there will be a strike, or whatever the negotiations may be, nor in any way would they receive remuneration from that. The minister has made decisions in these situations, such as the one he made with regard to the Hudson Bay Mining to separate the trades and the industrial union involved. These decisions have not always been made by the Unemployment Insurance Commission. On many occasions their decision was different.

This is one of the reasons that my colleagues and I are concerned about leaving in the words "directly interested in". If you work for the Hudson Bay Mining and Smelting Corporation, obviously you will be directly interested in what they do and what are the financial and other implications of their actions. Whatever the company does will have some effect on what happens to you if you are one of their employees, even if you are in a different area or a different town. This has been misinterpreted many times, and it lends itself to various interpretations. I have no qualms about the minister making the right decision, but I have many qualms about the commission making a decision. They have made various decisions on both sides. Sometimes they have allowed payment of benefits, and sometimes they have not when, in my opinion, the reasons were unclear. For this reason many thousands of regulations will have to be made under the bill. These regulations will be in the form of decisions made at various stages. Each may become a precedent. I am sure the minister is aware of cases, apparently identical cases, where totally different conclusions were reached. The words here are subject to varying interpretations, and I do not think they will achieve what the minister wants.

• (12:40 p.m.)

I am also interested in some protection being provided against a situation in which a number of employees might decide they were going to have a holiday and collect unemployment insurance while on holiday. I am sure this might be arranged by a small number of employees acting together in one very large plant. If we leave the words "directly interested in" in the bill, I know that the umpires and all others involved in the decision making process in the Unemployment Insurance Commission may interpret them in different ways. The minister mentioned the Hudson Bay decision in which he had some interest, but I know of at least half a dozen cases where that decision was reversed. Once this bill is enacted we, as Members of Parliament, will have no influence on the decisions that are made. We will be left totally at the mercy of the interpretations that are made.

I know of one case where one union did have two bargaining units operating in a plant. As an industrial worker I was always of the opinion that there were three levels in a plant, the management, the office staff, and the other workers. I had no relationship with the office staff or management, but management did have close relations with office staff. At the Hollinger Mines we organized the office staff into a separate unit of the United Steel Work-

ers, but when the other section went on strike the office staff was not able to draw unemployment insurance. The office staff had not attended the strike meetings and had no influence on the strike decision. We were using the CWS program and a wage structure that did not apply to them. They may have been interested in seeing that members of an associated local of the Steel Workers did not get beaten, but they had no financial interest in the strike. Yet the commission interpretation went against them.

The minister and other hon. members who have had anything to do with labour negotiations are well aware of the problem. If we do not amend the bill, then the Commission will introduce regulations that will change our interpretation of it. I speak from experience of attending tribunals and finding the regulations totally changed from what I had expected them to be. If we leave the words "directly interested" in the bill, the Commission may make whatever interpretations it deems warranted.

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I am sure the minister would agree with me that basically what we are concerned about when discussing a bill to amend the Unemployment Insurance Plan is that the Unemployment Insurance Commission and the operations of the plan should be as neutral as possible in any situation involving a labour dispute. All we are concerned about is how to achieve this.

Certainly, in the union to which I belong there is a feeling that since the inception of the Unemployment Insurance Commission the jurisprudence that has developed, as a result of Commission interpretations and umpires' decisions, is weighted on the side of the employer interests and against the worker interests. Because of that widespread feeling, I think this is a matter that should receive the closest scrutiny. I am sure it did receive a great deal of discussion in the committee, but apparently my colleague from Moose Jaw was not satisfied that the wording of the bill will create the neutrality desired.

As I read the proposed amendment, I think it is pretty clear that the hon. member wants a distinct statement stipulating that in future umpire decisions should be even-Steven down the line. The way the bill and the existing act are worded means that the onus of proof is on the worker—and this would apply even under the terms of the proposed amendment—to establish that he is not directly involved or participating in the labour dispute that has caused the stoppage of work.

I would remind the minister of some of the situations that developed as a result of the towboat dispute on the coast of British Columbia. I am convinced that the employees in some of the logging operations in the northwest part of Vancouver Island were not directly involved and were not supporting that dispute. But they were laid off because the towboats were tied up. Their claims for unemployment insurance have been in process, and the last word I heard was that there is soon to be an umpire's hearing. Those workers have been left up in the air for months, wondering whether they are going to get the benefits they feel they are entitled to as a result of being laid off by the companies because work operations could not continue due to the tie up of the towboats.

• (12:50 p.m.)

When we talk about this question of financing and participating directly or indirectly as the clause is worded in the bill, this leads to almost any kind of interpretation in the future by an umpire. The whole concept of the labour movement is that it is interrelated. I have voted many times to send a contribution to workers on strike somewhere else. If one wants to take these words literally the fact that a local union has voted $1,000 or $25 to support a group of striking workers in another place, could lead to an umpire's decision that any member of that union who happened to be laid off could be denied benefits because he was financing and had a direct interest in that other labour dispute, though it might be on the other side of the continent.

I do not think the existing jurisprudence has gone in that direction, but this is so complex a problem that only a full-time professional could keep a clear picture in mind of where the matter stands or where it is heading. I cannot understand why the minister is insisting that this phrase be retained. The amendment would provide that a worker would have to prove that he was not directly involved or participating in the labour dispute that caused the stoppage. That seems to put it fairly clearly from the point of view of any future decisions by an umpire on what at times are going to be pretty difficult lines of demarcation.

We all know that under certain circumstances groups of workers who have not been involved in a labour dispute have to make a decision about whether they will handle hot goods or hot cargo. The interpretation of whether or not that action would involve them in the dispute is one on which there may be some disagreement. If the words about financing and direct interest are left in the clause it seems to me that the possibility of a worker proving that he is not involved is weighted against the worker. I urge the minister to recognize that there is no provision that the employer has to prove the worker is involved; the onus is on the worker to prove that he is not involved before he can accept benefit. In a sense, that weights the application of the act in the direction of protecting the employer interests against having their contributions to the fund used to assist workers with whom they may have a dispute. That is one of the considerations the minister should have in assessing the merits of a clause such as this, that you start by putting the onus of proof on the worker. It should be made as simple and as straightforward as possible for the worker to prove it. The wording in the act on which an umpire is going to have to base decisions should enable him to draw a line that is as clear and simple as it can be.

We hope that, as a result of the new act, some of the very messy and unhappy situations that have developed

in this area in the past would be eliminated and that we could start afresh to build some new jurisprudence in this area which is a difficult one to deal with.

Mr. Speaker: Is the House ready for the question on motion No. 11?

Some hon. Members: Question.

Mr. Speaker: All those in favour of the motion please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five members having risen:

Mr. Speaker: Pursuant to Standing Order 75 (11) the recorded division on the proposed motion stands deferred.

Mr. Jerome: A point of order, Mr. Speaker. As Your Honour has just deferred another division in this matter, it might be an appropriate time to indicate that discussions have taken place about the taking of these deferred votes. It has been generally agreed that it would meet with the approval of all members that Monday night at eight o'clock would be an appropriate time.

Mr. Peters: Why not five o'clock tonight?

Mr. Jerome: I might also say at this time—perhaps in a mood of optimism which I always carry with me—that since this matter is proceeding so well and since the hon. member for Calgary North (Mr. Woolliams) and the hon. member for Broadview (Mr. Gilbert), the respective spokesmen on the Judges Act, are both present today, if this debate should conclude before four o'clock this afternoon we would go on to the Judges Act.

Mr. Knowles (Winnipeg North Centre): Not the Labour (Standards) Code?

Mr. Alexander: Mr. Speaker, I shall take the second statement under advisement and tell the hon. member for Calgary North (Mr. Woolliams) about the Judges Act. With regard to the votes on the Unemployment Insurance Act, we are in agreement that they come before the House on Monday next at eight o'clock.

Mr. Knowles (Winnipeg North Centre): We also agree, Mr. Speaker.

Mr. Speaker: It is agreed and so ordered. Is it the wish of the House that the Chair call it one o'clock?

Some hon. Members: Agreed.

Mr. Speaker: It being one o'clock I do now leave the chair.

At one o'clock the House took recess.

[Mr. Barnett.]

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Laniel): When the House rose at one o'clock we had just completed a study of Motion No. 11 on which a vote was deferred in accordance with Standing Order 75 (11). It had been decided, also, that the House would consider Motions Nos. 12 and 13 which would be grouped for debate.

Mr. Mackasey: On a point of order, Mr. Speaker. You are perfectly right in what you have said but I was wondering whether, with the unanimous consent of the House, there having been discussions with representatives of the other parties, I could be permitted to introduce an amendment to section 58. I seek permission now because this is the proper time, having regard to the progress we have made.

The purpose of the amendment is strictly to rectify a drafting error. I have made this clear to representatives of opposition parties, who have copies of the amendment. I do not know whether the table has a copy. I should like to read it, anyway, and then I will give a copy to the table.

I should like to ask the unamimous consent of the House to introduce an amendment to clause 58, subclauses (t) and (u). This amendment is required because of an inadvertent omission in drafting and the misplacement of some words as between the two subsections. The white paper on unemployment insurance clearly specified that when the rates of unemployment produced by Statistics Canada were to be used to determine the length of extended benefits, these rates would be averaged to smooth out fluctuations from month to month and avoid the situation where the duration of benefits could swing up or down on the basis of a single month's figure. I might add that this would cause undue hardship to some of the claimants. In the case of national rates, these would be averaged over a period of three months for the purposes of Section 34.

The Acting Speaker (Mr. Laniel): Order. I wonder whether it would not be more correct procedurally to put the motion at this time. The minister could then make his remarks afterward. The Chair would like to know whether the House gives unanimous consent for the minister to present a motion at this time.

Some hon. Members: Agreed.

Hon. Bryce Mackasey (Minister of Labour) moved:

That Bill C-229 be amended by striking out lines 41 and 44 inclusive on page 34 and lines 1 to 3 inclusive on page 35 and substituting therefor the following:

and delineating the boundaries thereof and determining residence within such regions;

(u) averaging any rates of unemployment for the purposes of paying extended benefits and prescribing the manner in which such averaging shall be carried out.

He said: Thank you, Mr. Speaker. As I was saying, the purpose is to be a little more specific, a little clearer as to how the extended benefit period would be determined.

Rates would be averaged so as to smooth out fluctuations from month to month. The averaging of rates would work to the advantage of claimants by avoiding frequent changes in duration based on month to month variations in the rates of unemployment compiled by Statistics Canada.

The wording used in section 58 (u) did not make this clear and I have proposed an amendment which would clarify the requirement and make it clear that the Commission has the power to average the national and the regional rates as described in the white paper. There was no disagreement on this point in committee and I am sure the amendment will be accepted. As far as subclause (t) is concerned, the amendment proposes to return to that clause the words "as determining residence within such regions" which were inadvertently placed at the end of subsection (u) and which should have appeared at the end of subclause (t). It was simply a printing error.

Mr. Stanley Knowles (Winnipeg North Centre): This may sound complicated, but the minister let us have copies of the proposed amendment this morning and I believe those of us who have been following this matter are satisfied that the purpose of the amendment is simply to correct an error that was made inadvertently. We support the amendment.

Mr. Lincoln M. Alexander (Hamilton West): I echo the observations of the hon. member for Winnipeg North Centre and thank the minister for letting us have a copy of the amendment beforehand, thus giving us the opportunity to examine it.

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

Some hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mr. Laniel): I return now to the point I was making prior to the intervention by the Minister of Labour. Motion No. 11 has been discussed and a vote on it was deferred in accordance with Standing Order 75(11).

The House will now consider Motions Nos. 12 and 13 which are grouped together for the purpose of debate. A vote on Motion No. 12 would automatically dispose of Motion No. 13. The Chair will at this point put the two motions before the House.

The hon. member for Hamilton West moves Motion No. 12 as follows:

That Bill C-229 be amended by deleting subclauses (1), (2) and (3) of clause 64 at pages 41 and 42 and substituting the following:

"(1) The employer's premium to be paid in a year by an employer of an insured person shall not exceed 1.4 times the employee's premium for that year."

and by deleting the words "but subject to paragraph (a) of section 65" where they severally appear at the end of subclauses (4) and (5) of the said clause at page 42 and by renumbering these subclauses as (2) and (3) respectively.

The hon. member for Hamilton West (Mr. Alexander) also moves Motion No. 13 as follows:

That Bill C-229, unemployment insurance in Canada, be amended by deleting clause 65 at pages 42 and 43.

He said: Mr. Speaker, I believe that during the committee hearings members found that, as a result of this new experience which has been brought into the Unemployment Insurance Act, the vast majority of the members questioned the usefulness and the acceptability of what is called the experience rating or the merit rating system which is being introduced by the government.

I recall that yesterday the minister accused members of this party as well as hon. members of the New Democratic Party of being confused inasmuch as we were continually reaching conflicting conclusions. It seems to me the minister has now indicated to the House, and I accept this philosophy in that regard, that many of us must be our brothers' keepers. On the other hand we said we should abide by the universality of the unemployment insurance scheme. It seems to me that rather than being confused on this side of the House it was the government which is confused because the government has now indicated that it is not interested in universality when it comes down to industry. They believe we should get away from the pooling of risks by saying there should be a penalty placed upon industry as a result of high lay-offs.

• (2:20 p.m.)

What concerns many of these people in industry who are making a great contribution to the ultimate destiny of this country is that in many instances lay-offs are beyond their control. For example, I do not want to become political this afternoon but one of the reasons industries occasionally lay off people is the fiscal and monetary policy of the government; there can be no question of that. This is something beyond the control of employers. The external ramifications of capital and money exchanges certainly affect lay-off patterns, as do seasonal adjustments.

If we increase premium rates of employers, the extra cost must of necessity be passed on to the consumer. For the life of me, I cannot understand the thinking of this government when it says that we should pool the risk. After all, they brought in an additional one million people to enable them to pool the risk. They have included in the plan school teachers, firemen, nurses, public servants and armed forces personnel so that the risk can be pooled. The government feels that some industries, perhaps through their inability to compete, should be penalized or driven out of business, but at the same time it forgets that the main theme running behind the entire act is that there should be a pooling of risk and that universality should prevail.

This is one occasion when we found that even labour took a pretty dim view of what the government was doing in this instance. I admit that the senior chamber of commerce took the opposite view and said there should

be a pooling of risk. But what is important is that the vast majority of the briefs submitted on this matter were very much opposed to the introduction of experience rating.

It is also of extreme importance that the Gill report dealt with this question. I do not know whether the Gill report is relevant or not, but I do know that he took a pretty dim view of experience rating. I should like to refer to some of the arguments Mr. Gill put forward for the benefit of the government dealing with this particular clause. The Gill report stated:

> It will, we think, suffice for present purposes to indicate, as follows, the main reasons why we do not recommend the adoption of a system of merit rating.
>
> We favour a system of broad pooling of risk and this is the foundation of our recommendations for universal coverage. We believe that the frictional unemployment that can properly be taken care of by a plan of unemployment insurance is a more or less normal phenomenon of a free economic system, but it emerges strongly in certain industries and occupations in the system and scarcely at all in others. This variation is not, however, the result of particular management decisions. It is, instead, a function beyond the control of the employers concerned.

The statement "beyond the control of the employers concerned" is very important in this context. Further the report states that merit rating—

> —would have the result of raising the contribution rates for some of the basic industries that play an important part in Canadian export trade; this would put them at a competitive disadvantage in the international markets.

A further point made by the report is this:

> We have not observed any decisive evidence to substantiate the claim that the operation of a merit rating system would have any significant effect in reducing unemployment.

I am putting forward these points so that the people of this country, as well as my colleagues in the House, understand what is taking place. Another point made by Mr. Gill is this:

> There is some evidence to suggest that the existence of merit rating encourages undesirable practices on the part of some employers. They may tend to oppose claims merely for the sake of improving their position with respect to merit rating. They may oppose socially desirable extensions of the unemployment insurance scheme for the same reasons, and they may indulge in practices relating to hiring and firing of employees designed to minimize the effect on the unemployment insurance plan.

As I said earlier, the Canadian Labour Congress is very interested in the last point. They indicated that they would oppose merit rating because of this danger. Other criticisms can be made of merit rating, and I would refer to one in particular. Merit rating has a regional and structural bias. Government officials insist that, industry by industry, merit rating is administratively and politically impossible. However, juxtapositioning all firms against an average national lay-off rate would heavily favour mature central Canadian business and industrial structures and would actively harm growth and depressed areas. Growth industries have higher lay-off rates simply because of their dynamism. Many stagnant industries have low lay-off rates and would be rewarded even though they often require, according to government policy, swift, efficient mobility.

[The Acting Speaker (Mr. Laniel).]

Another criticism that can be made is that merit rating may bias hiring practices. The incentive, if it worked, could bring direct hardship to the very people it aims to assist—working people in search of quasi-permanent or permanent employment.

Other objections have been made to experience rating, which is why we on this side of the House deem it advisable to put before the House criticisms that have been directly voiced very vehemently and strenuously by those concerned. It is not going to help the employer, it is not going to help the employee, and the ultimate payer, as usual, will be the taxpayer who has to absorb the additional cost of any increase in premium as a result of experience rating being applied in any particular industry.

I am sure the minister and his colleagues will tell me that I have not made a bad speech but that once again I am off the beam; that things have to be this way because some industries are taking advantage of a good thing. But let me repeat that pooling a risk and universality are at the basis of the unemployment insurance plan. Starting with that premise—and I do not think anyone can disagree with the premise—you cannot then turn around and say that you must make an exception in this particular instance. With all respect, this then brings into question your credibility. I am not being offensive in saying that, but this argument does have us on this side puzzled. Without pursuing the matter further and becoming too repetitious, may I conclude by saying motions Nos. 12 and 13 are being moved primarily to eliminate what I call this very offensive clause in terms of its effects on the Canadian economy.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I rise to support what was said by the hon. member for Hamilton West (Mr. Alexander) and to congratulate him on going further afield than his own particular locality. He is taking an interest in other parts of the country that are not as well developed as his home city and province. There are, of course, vast areas of the province of Ontario that would be adversely affected by this legislation, as well as the area of the country that I have the honour to represent.

• (2:30 p.m.)

I should like to say it escapes me how the bill, as proposed, will encourage stable employment in types of industries mentioned by the hon. member for Hamilton West because in most cases these industries are totally dependent on factors outside their control. Of course, the major factor in that regard is the weather. The weather pretty well dictates the operations of the construction industry. We are making progress toward extending the construction season into a year-round business but, the fact remains, winter construction in the climate which prevails in most areas in this country is more expensive than in spring, summer and fall.

Apart from the construction industry, we have a problem in respect of another major industry in the country being affected by the weather, namely, the agricultural industry. It is completely dependent upon the seasons. Farm labourers are subject to the provisions of this bill. I do not think it can be argued that they will not find themselves in an industry which will have a bad merit rating regarding lay-offs. Once the harvesting of any particular crop is completed, a great number of farm labourers are laid off. This can only result in higher costs to the employer, being the farmer. He is already subject to a terrible cost-price scheme. It has been admitted by both sides of the House that the farmer is in no position to pass on this cost. In some seasonal industries, such as construction. I suppose it can be argued that this cost can be passed on. This might get the business itself off the hook, but it does not get the consumer, or the people we represent, off the hook. We should have some consideration for them.

One of my basic objections to this bill is that generally speaking it will increase costs throughout. In this bill, we find an added means of increasing the cost in what I would consider to be a totally, unacceptable and unjustifiable way. In addition to weather conditions, I think my hon. friend mentioned pressures or conditions creating instability of employment in certain areas. We have found that, for the past year or so, it has been a firm policy of the government to discourage construction in certain areas of this country. The city of Calgary, part of which I represent, is in the position of being discriminated against in respect of depreciation as a result of a desire to cool off the economy. I might say in passing, it has had a very good effect, but the construction industry in that city has suffered as a result of this conscious policy of the government.

I do not see how the imposition of higher employee contributions will help to stabilize employment in the construction industry in places like Calgary, when it is singled out from other cities in the country for discrimination by the government with a view to creating unemployment.

I agree also with the hon. member for Hamilton West that this legislation seems to be based on the view that industry is developing to the same extent throughout the country and we have a homogeneous working force. I suppose the hon. member for Duvernay (Mr. Kierans) would be very happy with this aspect of the legislation because his view would seem to indicate that all industry should be concentrated in the provinces of Ontario and Quebec, and that the outlying areas of the country should be forgotten. I am sorry I cannot take that position. I urge the government to have some consideration for the growth areas of this country, and accept this amendment which would remove a real discrimination, particularly against the construction and agricultural sectors of the economy.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, in so far as these two amendments before us are designed to eliminate experience rating from the new Unemployment Insurance Act, we shall support them. We debated this matter at great length in committee and I do not think it is necessary to rehash that debate at the report stage. In an effort to achieve that goal, may I say simply that there are three main reasons for my opposition to experience rating.

In the first place, employment conditions are to a very large extent beyond the control of the employers. Some spokesmen for experience rating have tried to relate this situation to workmen's compensation where there is a form of experience rating. I suggest that employers can control the safety conditions under which their employees work and can control the number of accidents that take place. So far as the economy of the country is concerned, on which employment is based, that is to a large extent beyond the control of employers. There are various regional and seasonal factors that come into the picture, but we think that because this sort of thing is beyond the control of employers it is unfair to impose experience rating.

The second reason for our opposition to this measure is the fact that the Canadian Labour Congress and other representatives of labour have expressed the view that this would lead to an abuse. An employer who might need a certain number of employees would refrain from hiring them temporarily lest the firing of them shortly thereafter would spoil his record. We think abuses of that kind are possible and we should not encourage them by this so-called experience rating. We think there are hiring practices in reverse which are an abuse, but that they can be dealt with by an amendment such as the minister has made to the Canada Labour (Standards) Code, which we hope will be copied in provincial statutes.

My third reason for opposing this is that if we are going to permit employers to pay lower premiums because of a better record than others, we will have the argument from employees that those who have had long periods without drawing unemployment insurance benefits will feel their premiums should be reduced. This is a one-sided proposition and we feel this is a defect. As I have said, we went into this at great length and argued it with most of the delegates who appeared before us. We tried to persuade the government to drop the whole idea of experience rating. Since we did not succeed there we are indicating that is still our position, and we shall do so again by voting for these two amendments.

Mr. Robert C. Coates (Cumberland-Colchester North): Mr. Speaker, I should like to participate in this debate for just a few minutes. I begin by commending the hon. member for Hamilton West (Mr. Alexander) for the amendments he has proposed. As a member from the Atlantic region of Canada, I feel that the legislation as proposed by the minister will only place one more impediment in the way of industry in that part of Canada. I feel as a result of this legislation these industries will continue to have more than their share of difficulties, day in and day out, in maintaining themselves in business.

• (2:40 p.m.)

I think this places an extra burden on the shoulders of the employer concerning what he should or should not do in given circumstances. I would be fearful that what the hon. member for Winnipeg North Centre (Mr. Knowles) alluded to might happen. An employer who had been trying to make up his mind concerning whether or not he should take on additional staff for a short period of time would look at the merit system and say to himself that if he did this he might become involved in difficulty. He might consider that it might involve an extra expense, whereas if he used his present staff or kept his staff to a minimum and did not provide additional employment even for a short period of time, he would not be involved in this extra expense. Therefore, this system might work against a great many people in our part of Canada who wish to secure work even for a short period of time. In many instances many people in our labour force are under-employed. These people will now discover they will have less opportunity to secure employment, even for short periods of time. I do not want to see this happen.

I believe there is something else involved here which is even more basic. I refer to the fact that we are living in a capitalist system in this country in which we say to the employer and the unions, in effect, that they must work out a system whereby between them they will know best how industries can operate and how they can secure the best return on their investment. However, we also say we will interfere. We tell them that unless they operate in such a way as to provide constant and stable employment for their employees, whether there is work for them or not and whether or not it brings them return, we will impose upon them a special tax which they will have to pay. I know in my constituency, which is in the agricultural area, we are involved to a very substantial degree in the production of small berries such as blueberries, strawberries and so on. There are frozen food plants which operate there and provide not-year around employment but employment for a specific period of time. People have come to expect this. Certain people involve themselves in this type of employment. They arrange their schedule so that they can work here and do other things at other times.

Now, the people who operate the frozen food plants and other operations of this type will find themselves forced to bear additional costs in carrying out their operations. In facing these additional costs, there is only one conclusion for them to reach. They will have to tell the consumer they are facing additional cost because of the new unemployment insurance legislation and that, therefore, the consumer will have to pay a higher price for the same product than was the case in the past. The cost of living will go up and up and up, as it has been doing all along. In many ways, the cost of living in this country is going up because of the unwarranted interference by government into the private sector of the economy. This is a glaring example of what is happening and will continue to happen so long as the government insists on this type of legislation. So far as I am concerned, the hon. member for Hamilton West has been very persuasive in his arguments concerning why this clause should not be accepted in its present form. The hon. member for Winnipeg North Centre has indicated that so far as he knows labour does not want this merit system.

Why does the government insist upon adding additional burdens on the backs of industries which are having so much difficulty today in surviving? If I might anticipate, if this budget comes in and places many new taxes on the back of industry, just where is industry going? What will happen and how will we ever produce a boyant economy that will look after the hundreds of thousands of people who are in the labour force today and who are looking for work. How can we do this if we continuously heap on the shoulders of industry additional burdens and taxes industry could get along without? In view of the fact that labour itself is neither looking for nor asking for this, and indeed is objecting to the system, why should we be adamant in imposing it upon them or upon the industries which must survive if we are to produce employment in this country to look after the labour force. I cannot quite understand why the minister is so adamant about the merit system. I really do not believe it will be beneficial to either industry or labour. I believe the minister should give very serious consideration to supporting the amendment which has been proposed by the hon. member for Hamilton West.

Mr. Charles H. Thomas (Moncton): Mr. Speaker, I shall not elaborate further on the reasons advanced by my colleague, the hon. member for Hamilton West (Mr. Alexander) in proposing the motion other than to say I agree with everything he said about the bad features of including a system of merit rating in this legislation. I heartily agree with him that it does nothing for the plan. It is a bad principle. It is not consistent with the rest of the bill. There is no merit rating, for example, so far as the employees are concerned. The employee pays the same rate regardless of how many times he collects a claim. I agree with my colleague that if universality is a desirable feature of social insurance it must be applied on a consistent basis. I agree with everything that has been said in favour of this amendment.

I should like to refer briefly to some of the evidence presented before the committee. For example, in the submission by Robb Engineering on behalf of the contractors, we find a statement to the effect that it is unfair and unjust to apply experience rating to employers in the construction industry on the basis of lay-off patterns resulting from factors beyond the employer's control. I think that is the important phrase in that submission. It has been pointed out that most employers really have little or no control over their employment patterns. I do not believe they should be penalized for the lack of action or unfavourable action the government takes which affects their employment pattern.

• (2:50 p.m.)

What I should like to refer to specifically are the conclusions reached by the standing committee on the particular question of merit rating. While the committee's

report agreed that there should be a system of merit rating, the report was by no means unanimous; it was approved on division. However, even though they endorsed the principle of merit rating, they could not agree on it unanimously. Also, the committee stipulated that if we had to have some type of merit rating, it should be different from the type of merit rating proposed in this bill. This is not the final report, I think, but I believe the wording in the final report was basically the same. The report reads:

> Indeed, the rating of a firm would seem to be more reasonable if based on the industry average instead of a national average. But there is absolutely no reason why one should not extend the experience rating system: an experience rating of industries defined on the basis of the national average and an experience rating of firms defined on the basis of the industry average. Industries could very well have an industry rate. This would provide a much more flexible system and one which would allow the basis of comparison to be fairer.

I simply want to ask the minister the following question, even though I do not approve of the principle of merit rating. I think I mentioned it in the committee and it seemed to me there was some disposition on the part of the minister or of the officials to study the whole question of merit rating. Possibly, by way of regulations, they might be able to break it down so that it would not work a hardship on all industries. As I said, I do not approve of the principle of merit rating, but half a loaf is better than none, and I would like to have an assurance from the minister that something will be done in this regard.

[*Translation*]

Mr. Gérard Laprise (Abitibi): Mr. Speaker, I would like to say only a few words in support of this motion, which I find very acceptable. That clause of the bill as well as the proposal of the white paper on which it is based have greatly surprised me and have caused some concern to a number of small employers in my area. In fact, if some employers have to lay-off one or many of their employees at certain times in the year, the cost of their contributions to the unemployment insurance fund will be higher. This is unfair to some small employers who, for one reason or another, do not enjoy the benefit of annual contracts.

There are, in my riding, road contractors, for instance, or forest contractors, who use heavy machinery and, at times, following a contract, need additional labour. When the contracts are completed and if they have no other work to carry out, they are obliged to let their employees go, sometimes temporarily, sometimes for a longer period. Under clause 65 of the legislation they will be penalized, that is, they will have to pay higher contributions to the unemployment insurance fund.

This is unfair to those employers, as well as to other employers, such as those in the construction business—as it was mentioned previously—who, at times, need additional labour. Then, should this clause be passed, those concerned might use other means in order to respect their contracts, and a number of workers will not find jobs, not even temporary ones, in those operations. Therefore, it is unfair to the workers, to the unemployed who want to work and who are looking for jobs.

For all those reasons, although this matter has been considered at length in committee, even if we did not succeed in having this clause removed from the bill, if the minister wants to show the wisdom we know he has, it is important for him to consider all aspects of this clause. He will see then, I am sure, that there is more bad than good in it. I am therefore in favour of this motion which tends simply to remove clause 65 from this bill.

[*English*]

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker. my remarks on this particular section will be brief. I listened with attention to hon. members. I think the contributions were all useful. Some have shown a very deep knowledge of the concept, but others, I am afraid, are not quite aware of what the bill intends. I do not say this sarcastically, but there is no real relationship between the original concept of merit rating that we envisaged in the white paper and the merit rating that is now in the bill. The merit rating system that is in the bill is really a compromise arrived at as a result of the contributions of members opposite on second reading and at the committee stage. The difficulty of the situation was perhaps amplified by the remarks made today by the hon. member for Winnipeg North Centre (Mr. Knowles)—the unofficial minister of the socialist party. If he needs to be convinced about the merits of merit rating, he should read the very knowledgeable speech made on second reading by the hon. member for Waterloo (Mr. Saltsman), indicating that even that party has mixed views and that they are not all quite as doctrinaire as might appear.

Mr. Knowles (Winnipeg North Centre): Does the minister agree with everything that the hon. member for Waterloo said in that speech?

Mr. Mackasey: I was referring only to merit rating. I am sure the hon. member does not agree with everything the hon. member for Waterloo said about fishermen either. If he disagrees with much more, he will be disowning his own party and he will become all too moderate for the party.

Mr. Knowles (Winnipeg North Centre): You are avoiding the issue.

Mr. Mackasey: Merit rating does not, of course, have any relationship at all to the concept of universality. We all know this. We are not violating the concept of universality by introducing merit rating. Universaility simply means that all employees of companies so identified will be included in the plan, and it means that the widest spectrum of employees in the country will be included in the plan. What we are saying is that the employers in the country will have different rates based on the lay-off patterns in their particular industry. We are saying also that certain employees, despite the fact that this plan is universal, will be paying higher or lower contributions than others depending on what their normal income is at their place of employment.

That is what makes the concept of merit rating as we now have it acceptable to all members of the House, and I am surprised that there have been any amendments at all. Perhaps the hon. member for Winnipeg North Centre was persuaded by the CLC, but I must say in all fairness to the CLC that their view is based on fear, not logic. They feel—and perhaps I have greater confidence in employers than they do—that employers in some Machiavellian way may tend to keep the work staff as low as possible. I do not know too many employers who do not keep their work staff at the minimum possible level, I do not know too many employers who play Santa Claus and have a bigger staff than they need.

Mr. Knowles (Winnipeg North Centre): Except for the Prime Minister (Mr. Trudeau).

Mr. Mackasey: This is especially true if they wish to remain in business long. We talk about the Canadian Manufacturers Association opposing merit rating, but no one has yet mentioned that the Canadian Chamber of Commerce endorsed merit rating, indicating that there is a difference of opinion even among employers. But what makes the plan acceptable to everybody, possibly in line with what the hon. member for Moncton (Mr. Thomas) pointed out, is that in order to assess the lay-off pattern of an industry we have eliminated all students hired. In other words, whether students are hired for one, two, five or ten weeks and then laid off, this will not affect the merit rating status of a company. Neither will its lay-off pattern be affected by maternity and sickness lay-off, voluntary withdrawals from its work force and those who are dismissed for misconduct.

• (3:00 p.m.)

To make it further acceptable to industry there has been a wide departure, I might say a dramatic departure, from what I first envisioned. I originally thought that through the marvels of the computer age it would be possible to merit-rate each individual company in the country, something which is quite feasible with the records and the computer systems which we have. What we are now proposing to do, and I think this meets the logical arguments that were advanced by hon. members opposite about the construction industry, is not to merit-rate the construction industry against industry in general but, rather, to compare companies in the industry with, or rate them against, the industry itself in general. What we are proposing to do is rate one company within the industry against the companies in general in that industry. In other words, if you had a private firm in the construction industry it would be rated against other private firms in that industry.

Mr. Schumacher: Mr. Speaker, I wish to ask one question in this regard. Canada being what it is, with its enormity of size and varying climatic conditions, would regional factors be taken into account in rating these businesses?

Mr. Mackasey: Mr. Speaker, this is the type of observation I might answer as we go along. I am not unaware of the problems of the construction industry. As Minister of Labour, I deal daily with components of that industry. I know their dependence on government; I know that many of them live on government contracts; I know that they are subject to the Labour (Standards) Code. They come to us time after time for exemptions against minimum wages, against the 40-hour work week and against the eight-hour day. These exemptions are given because of the nature of the industry. I think I understand their problems pragmatically, but there are always two sides to the coin when we talk about regions. When we had the winter works program in effect, contractors in British Columbia had a bonanza during the winter months as opposed to contractors in Quebec and Ontario who had to contend with severe climatic conditions.

In any event, we are not taking into consideration student employment, maternity or sickness leave, voluntary withdrawals or dismissals for misconduct in our merit rating; and in view of the fact that we are not going to rate companies in one industry against another industry we have made the proposal even more palatable. Further, this program will not come into effect until 1974, and even then only one-third of the effect will be felt, with the second third to come along in 1975 and the last third in 1976.

In the interval between now and January, 1974, we have arranged for the utmost in co-operation and negotiation with the representatives of industry, through the advisory council. I think I have mentioned previously. Through regulations we can take into consideration the suggestion of the hon. member with respect to the problem of regional factors. These can be taken care of through regulations if the advisory council, the Unemployment Insurance Commission and representatives of the employers think that this is desirable.

Mr. Speaker, the merit rating that people may have feared for many reasons when it was first envisaged has very little resemblance to what we are now proposing. We are now proposing merit rating within an industry rather then with industry in general. We have eliminated the categories I have mentioned which could unduly distort the lay-off pattern of an industry. I do not look on this as a penalty against certain industries but, rather, as a reward to others; and I think this is the way the Chamber of Commerce looked at it.

Where the contribution now is 1.40 per 100, the figure in comparison will be 1.26. In fact, the cost to the employer and the employee is substantially lower under the new plan. Employers who have a fairly stable work pattern, such as school boards, municipalities, and secondary industry in general, will pay substantially less per individual than they are now paying. Some industries will pay a little higher than others, but their lay-off patterns will have to affect two-thirds of their employees in a year to really affect the cost of their unemployment insurance. When it is said that the lay-off of one or two employees would vary the rate, this indicates an ignorance of the bill: it would take as much as a two-thirds variation in work pattern to affect drastically the contributions required to be made.

Mr. Speaker, I do not want to take advantage of the indulgence of the House. I know that we want to finish this bill by four o'clock so I will just repeat that I recommend that we reject the amendment.

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

Some hon. Members: Question.

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

Some hon. Members: Carried.

The Acting Speaker (Mr. Laniel): All those in favour will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): According to Standing Order 75(11), this vote is deferred. The House will now proceed to the consideration of motion No. 14, in the name of the hon. member for Hamilton West (Mr. Alexander) as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting from subclause 3 of clause 125, in lines 10 and 11 at page 85, the words "or for data processing purposes".

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, we on this side of the House had some fears about where the data processing machines would be kept, but after thorough discussion with hon. members on the other side and with officials of the minister's department it is my understanding that the data processing machines will be kept in Canada. They are located in five regions and the information that is compiled in them will only be used interdepartmentally with respect to the government itself. Accordingly, having given the matter some thought I would ask the unanimous consent of the House to withdraw this motion. My fears about the data processing equipment being located outside the country have been allayed.

Mr. Knowles (Winnipeg North Centre): We are happy to agree to the withdrawal, Mr. Speaker.

The Acting Speaker (Mr. Laniel): Does the House unanimously consent to allow the hon. member for Hamilton West (Mr. Alexander) to withdraw this motion?

Some hon. Members: Agreed.

Motion No. 14 (Mr. Alexander) withdrawn.

Unemployment Insurance Act, 1971

• (3:10 p.m.)

The Acting Speaker (Mr. Laniel): The House will now proceed to the consideration of motion No. 15, moved by the hon. member for Hamilton West (Mr. Alexander), for the hon. member for Wellington (Mr. Hales), as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by adding to clause 138 the words "together with the report of the Auditor General thereon" immediately after the word "year" in line 14 at page 91.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I will be brief with respect to this amendment. The hon. member for Wellington (Mr. Hales) who as you know is chairman of the Public Accounts Committee, has been concerned about this matter in view of the fact that the Auditor General has never audited the unemployment insurance account. All this motion is attempting to do is bring the unemployment insurance account under the audit carried out by the Auditor General. I understand that the government is willing to accept the amendment.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, we are very happy to accept the amendment introduced on behalf of the hon. member for Wellington (Mr. Hales) who has been very objective and useful in committee in the whole area of finance. I think it would strengthen the bill and allay the legitimate fears of members if the unemployment insurance account were presented to the appropriate committee with approval for the Auditor General to do the auditing. In effect, what this amendment is saying is that the report of the Auditor General will be attached to the report of the unemployment insurance committee at the appropriate time. We accept the amendment.

The Acting Speaker (Mr. Laniel): Is the House ready for the question on motion No. 15?

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is motion No. 15. Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Carried.

Motion No. 15 (Mr. Alexander, for Mr. Hales) agreed to.

The Acting Speaker (Mr. Laniel): The House will now consider motions Nos. 16 and 17 which have been grouped together for the purpose of debate. The vote on motion No. 16 shall automatically dispense with motion No. 17. Shall I put the motions at this time?

Some hon. Members: Agreed.

The Acting Speaker (Mr. Laniel): The hon. member for Hamilton West (Mr. Alexander) moves motion No. 16 as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting from paragraph (a) in subclause 2 of clause 140, in lines 26 and 27 at page 91, the words "the minister considers" and substituting therefor the word "reasonably".

Unemployment Insurance Act, 1971

The Acting Speaker (Mr. Laniel): The hon. member also moves motion No. 17 as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting from subclause 1 of clause 143, in line 9 at page 93, the words "the minister deems advisable" and substituting the words "may reasonably be necessary for the purpose of this part, and"

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, these are not significant amendments but they try to make the bill more presentable and get away from the arbitrary decisions that may have to be made by ministers involved—in this case I believe it is the Minister of Manpower and Immigration (Mr. Lang). Clause 140 (2) (a) provides:

The minister shall collect information concerning employment for workers and workers seeking employment and, to the extent the minister considers necessary,—

This is the part that we find offensive and arbitrary. It is left to the decision of the minister. In the amendment, the power of the minister to make a subjective evaluation as to when he will release information is deleted and the reasonably judicial test is substituted. If the government cannot go along with what I am suggesting, I hope they can give me reasons. I do not think I have to pursue this matter any further except to reiterate that the provision, "to the extent the minister considers necessary" should instead read, "to the extent reasonably necessary," which takes it away from the minister alone.

Mr. Stan Schumacher (Palliser): If I could speak in support of this motion, Mr. Speaker, I think the hon. member for Hamilton West (Mr. Alexander) is too modest when he refers to the proposed amendment as being somewhat insignificant. In many instances this Parliament delegates far too much authority to individual ministers of the Crown or to the executive branch in general. I think it has to be taken as a practical situation that the minister will probably never be the one to make the decision; it will be made by an administrator on his behalf.

Mr. Pepin: That is just hearsay.

Mr. Schumacher: The Minister of Industry, Trade and Commerce (Mr. Pepin) says that is just hearsay, but maybe he will be prepared to prove that statement by evidence. He probably will not attempt to do it at this time and it is unlikely that a convenient time will ever arise.

I am sure we have confidence in the present minister, but the fact is that ministers are not permanent and this legislation in all likelihood will stay on the statute books for many years. I suppose the Minister of Industry, Trade and Commerce intervened because this question deals with the collection of information. He is closely connected with the current census which is causing so much dissatisfaction among certain segments of the population, so he is probably somewhat sensitive on the subject.

In my view, the question of privacy arises here. All governments have a penchant for collecting information. They do this with the best intentions in the world, but in many cases never use it and it just turns into a "make work" project. I suggest that any legislation along these lines should be based on the criteria of what is reasonably necessary. A great number of businessmen, small farmers and small businessmen in this country feel they are being driven to the wall by having to make voluminous returns to the government. Sometimes an examination of the questionnaire does not indicate what they are looking for. So I think a determined stand should be taken at every opportunity against this type of legislation which makes it easy for large staffs to be built up in departments for the collection of information even when there is no requirement or need for that information.

[The Acting Speaker (Mr. Laniel).]

• (3:20 p.m.)

It is just not good enough to say, "where the minister considers it necessary". I think there will be further empire building if this legislation is passed. Empires are still being built. It is too bad that the government cannot institute more austerity programs. On the other hand, of course, our last austerity program did not have a great effect on empires built around the city and in federal government offices across the country.

Certainly, there has been no let-up in increasing the size of our bureaucracy. Bigger bureaucracy has led to increasing demands on bill payers in this country, the people who are trying to make a living, trying to make businesses grow and create jobs for other people. There has been a growing tide of demand on these people to meet administrative expenses which are really not justified nor necessary. I strongly urge the acceptance of this fine and important amendment moved by the hon. member for Hamilton West.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if a vote is called on these two motions I shall probably vote for them, but I trust my friends will forgive me if I say I cannot get excited about the issue either way. May I abbreviate what is in the bill. It says that the minister shall collect certain information and, to the extent the minister considers necessary, he may make it available. The amendment would have the bill read—again I abbreviate—that the minister shall collect certain information and, to the extent reasonably necessary, make it available. Is there really any difference?

Perhaps my hon. friend will take me behind the curtain and point out to me just who is to decide, in the second case, what is "reasonably necessary". Surely, in the end it will be the minister who decides. I think the wording, as my hon. friend has suggested it, is less offensive. As I say, if there is a vote I shall probably support the amendment, but I do not think it is all that important.

Mr. Gordon Ritchie (Dauphin): Mr. Speaker, I should like to speak for a few minutes in defence of the amendment moved by the hon. member for Hamilton West (Mr. Alexander). Perhaps because I live in a relatively small community with a Manpower office I can see events happening that hon. members who live in larger, more impersonal areas may not see. About 9,000 people live in

my town and employers who go to Manpower offices know a great deal, personally, about persons who are available for work. The same holds true of employees. The people of my community have access to a great deal of personal information.

Obviously, the minister cannot look after all the Manpower centres across the country. This means that his officials, including many small officials in lesser positions, will have to make these decisions. I therefore think it is most important for the word "reasonably" to be inserted in the clause. It would provide a defence against prosecution if certain officials consider that information which ought to be made available to them has not been made available.

I think the amendment is important from the point of view of personal privacy. This applies particularly to areas which are relatively small where the people know a great deal about each other. For this reason it is most important that the amendment be incorporated in the bill. The amendment would blunt administrative and bureaucratic trust and prevent officials from being overzealous. I think it is a useful amendment and hope the minister will accept it.

Hon. Otto E. Lang (Minister of Manpower and Immigration): Mr. Speaker, several speakers, including the mover of the motion, have indicated that they think there is not a great deal of difference between the bill as it stands and as it would stand if amended. According to one interpretation, that could be so. There is, however, a possible significant difference, if the amendment means anything. The amendment would tend to transfer—the mover of the motion said this—the decision as to what information should be made available to the courts and away from the minister.

Mr. Alexander: That is the difference.

Mr. Lang: The difference, if taken that way, is fairly important. I urge hon. members not to support the amendment when viewed in that light. The information is collected so that it is available for providing a service. It would be undesirable if the placing of that information in a particular spot became subject to judicial argument instead of simply to political argument that could quite properly follow if the proper service is not being provided.

The objective of the department in this connection is to provide the maximum level of service. If there is a grievance, it can be brought to the attention of a Member of Parliament and in that way be brought to the attention of the department. Actually, a political or ombudsmanlike remedy through a Member of Parliament is available. Secondly, the amendment would affect the statute.

There is the additional difficulty that we are dealing with confidential information and in certain circumstances it could be important for the minister to assure the person giving the information about any extension of that information beyond the employees of the department. The minister would not be in the position to give that assurance if the amendment carried because we would, in effect, be substituting a judicial decision for the decision which he could make.

I emphasize that this is part of a service which is meant to be provided. The best assurance is the determination of the department to provide that service as well as the kind of control which exists through Members of Parliament and through the minister. I therefore urge hon. members not to accept the amendment.

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

Some hon. Members: Question.

The Acting Speaker (Mr. Laniel): The question is on motion No. 16, in the name of the hon. member for Hamilton West (Mr. Alexander). Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Agreed.

Some hon. Members: No.

The Acting Speaker (Mr. Laniel): All those in favour of the motion will please say yea.

Some hon. Members: Yea.

The Acting Speaker (Mr. Laniel): All those opposed will please say nay.

Some hon. Members: Nay.

The Acting Speaker (Mr. Laniel): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Laniel): The vote on this motion stands deferred.

The House will now consider motions Nos. 18 and 19, standing in the name of the hon. member for Comox-Alberni (Mr. Barnett). First we will take motion No. 18. These motions will be debated together and the vote on motion No. 18 will dispose of motion No. 19.

The hon. member for Comox-Alberni moves motion No. 18 as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting subclause 2 of clause 146, in lines 27 to 31 at page 94 and lines 1 to 3 at page 95.

Also, the hon. member for Comox-Alberni moves motion No. 19 as follows:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by deleting subclause 3 of clause 146, in lines 4 and 5 at page 95.

• (3:30 p.m.)

Mr. Thomas S. Barnett (Comox-Alberni): Mr. Speaker, I believe the purpose of these two amendments will be apparent at once. I am happy they are being considered together because they are part and parcel of the same thing. Arrangements for covering fishermen are, regrettably in my opinion, contained in part VIII of the act which is headed "Transitional and Repeal Provisions". The effect of my amendments would be to place arrangements

for the coverage of fishermen in that part of the act which deals with the coverage of working people generally.

It is a matter of great regret to me that at this point, when we are moving much closer to universality in coverage of working people than many hon. members are prepared to accept, we should be taking a retrograde step toward depriving those who work in a basic industry from coverage when unemployed. In the various speeches which he has made at the report stage the minister has repeatedly emphasized his belief in the principle of universality. Yet this clause as it stands makes provision for fishermen to be denied coverage by a simple proclamation on the part of the Governor in Council.

The two clauses we seek to amend are redundant and unnecessary even within the context of the statement made by the government of its intentions with regard to a still undefined plan to provide certain benefits for fishermen. We all know that, procedurally speaking, should the government decide to bring in a bill as an alternative to the present unemployment insurance arrangements for fishermen it would simply have to include in that bill a clause asking the consent of Parliament to delete the section dealing with the coverage of fishermen in the existing act. So from a procedural viewpoint alone the provisions to which I object, and which are contained in the bill before us, are unnecessary.

The records of proceedings in this House give us some indication of the government's intention with respect to an alternative plan. Announcements were made by the Minister of Fisheries and Forestry (Mr. Davis) on more than one occasion. Up to a point one is prepared to accept with an open mind suggestions made by the government in this area, but I want to make it clear that at this stage we have no idea when the government is likely to bring forward this alternative plan or what the nature of the plan might be.

On April 22, when we were called upon to deal with a new unemployment insurance bill, I asked the Minister of Fisheries and Forestry whether he would bring his plan forward so that we might intelligently appraise the proposition and come to conclusions about it one way or the other. The minister replied that he would be glad to bring this matter forward as soon as it had received full consideration by the government. Apparently it has not yet received such consideration; we are still very much in the dark. On May 12, questions were addressed to the Minister of Labour (Mr. Mackasey) by the hon. member for Gander-Twillingate (Mr. Lundrigan) seeking information about this alternative plan. The Minister of Labour replied:

> I think this promise has beeen made many times by the Minister of Fisheries and Forestry. The present plan provides coverage of fishermen in the same manner and on the same basis as in the past. I understand it is the intention of the Minister of Fisheries and Forestry to introduce some time in the indefinite future, I think he said, a plan that will be comparable and acceptable to the industry.

Whether or not it will gain acceptance by the industry is, of course, a matter of opinion. We do not know in what manner a determination will be made as to whether or not it is acceptable to the industry. On May 19, a week later, the Minister of Fisheries and Forestry contradicted the statement made by his colleague the Minister of Labour. He said:

> Mr. Speaker, as a point of clarification may I say I have never said this scheme must be acceptable to the fishermen. It has, of course, to be acceptable to my colleagues in the government and also to Parliament.

So there we have it. This is a scheme about which we know nothing, a scheme upon which up to now the government has reached no decision. Yet we are asked today to agree that fishermen can be taken out of the present unemployment insurance plan as a result of a simple proclamation by the Governor in Council whether or not any alternative plan which might be approved by the House is acceptable to them.

Certainly on the Pacific coast the fishermen do not consider this to be good enough. They feel that the time when we are extending the coverage and benefits of the plan is no time to be squeezing them out. I should like to return for a few minutes to the phrase used by the Minister of Labour, "The present plan provides coverage of fishermen in the same manner and on the same basis as in the past." What is in the mind of the government is obvious from the fact that they have placed arrangements for the coverage of fishermen in the part of the bill which is headed "Transitional and Repeal Provision."

I should like to call attention to the phrase "in the same manner ... as in the past". This means that an unsatisfactory situation is to be perpetuated. It means that the silly approach which has consistently been taken when dealing with fishermen will be allowed to continue at least during the period in which they are left in limbo. Again, this is partly the reason I have put down amendments which say, in effect: We want the fishermen to be left in the plan. We want the commission, when the new act goes into effect, to take a realistic look at the principles in accordance with which fishermen have been covered. We do not want to leave the situation stagnant so that some of the stupidities that have developed as a result of the present regulations and arrangements are continued into the indefinite future.

• (3:40 p.m.)

I shall try to relate some of my remarks to what I believe has been a very unhappy history behind the move to cover fishermen under the unemployment insurance plan. Obviously, I cannot do it in the course of one speech on one afternoon in this House. However, when this clause was before the Standing Committee I did make some references to the discussions that took place when the last major overhaul of the Unemployment Insurance Act was made in 1955.

I urge members of the House to read the proceedings of the industrial relations committee when considering the Unemployment Insurance Act in 1955. Among other things they will find that a very unusual procedure developed whereby a minister not responsible for the bill came before the committee and made a special presentation on this subject along with his departmental officials.

I am referring to the then Minister of Fisheries, Hon. James Sinclair. There was also a brief from the then hon. member for Burin-Burgeo, now a member of the other place and, as is well known, there were representations on the subject made by the then Secretary of State, now chairman of the Canadian Transport Commission, who was also a member of the government representing a constituency in the province of Newfoundland.

I suspect that those records do not by any means disclose the whole story of what was going on at the time in regard to unemployment insurance coverage for fishermen, but I do know that the then Minister of Fisheries was interested in the subject, that the member of the cabinet from the province of Newfoundland was also interested and that there was considerable pressure on the then Minister of Labour to take steps to bring the fishermen into coverage. In fact, of course, that did not happen at the time. It was some time before action was taken in that regard. Indeed, not till 1957 did coverage for fishermen become operative under the Unemployment Insurance Act.

Some members will recall that in 1957 we had a new government. One of the first acts of the new government was to introduce an amendment to the Unemployment Insurance Act generally extending the period of seasonal benefit coverage in view of the increasingly high level of unemployment that was developing at the time. I am not asking anyone to go back and read the record of *Hansard,* but to try to put this matter into perspective I should mention that I made a speech in the House on that occasion suggesting that the general move toward seasonal benefits with no relationship to the level of premiums, and without reference to any special grant into the fund, was attacking the root principle on which the Unemployment Insurance Act was supposed to have been founded.

History has shown that in the period shortly after that the balance in the fund began to take a drastic plunge and that over a fairly short period it dropped from almost $1 billion into the red. It is in that context that the first assessments were made of the coverage of fishermen under unemployment insurance, and I submit that it was out of that situation that the Gill report developed.

Some comments were made by the unemployment insurance advisory committee on the question of coverage of fishermen. I submit that the initial reaction of the unemployment insurance advisory committee, perhaps partly because of lack of experience, was very shallow and incomplete and that the Gill committee really did not go into this question—I have checked their recommendations on the coverage of fishermen—except in a very superficial way. Their recommendations stem from the fact that the fishermen were receiving consideration at a time when there was a drastic, general decline in the level of the fund, partly as a result of the extension of seasonal benefits and partly as a result of the generally prevailing high level of unemployment. So the coverage of fishermen had two strikes against it almost from the start.

As a result of the first reaction and resulting recommendations on coverage for fishermen embodied in the report of the committee of inquiry, generally known as the Gill report, the people who devised the white paper on unemployment insurance, without any real background study, simply carried forward the rather superficial opinions expressed in the Gill report into the white paper; and this in turn has now been brought forward in the bill before the House.

I would invite the Minister of Labour to read the brief submitted to the Gill commission in 1961 by the spokesman for the United Fishermen and Allied Workers Union, the late William Rigby—and I say this advisedly, Mr. Speaker. Before commenting on what Mr. Rigby had to say, may I tell the minister a little story that I heard about William Rigby in another context which I think illustrates that many people who did not share his political views, of whom I was one, had a healthy respect for the keenness of his intelligence and for the lucid manner in which he could put forward a case.

Mr. Rigby appeared before a commission of inquiry into workmen's compensation in the province of British Columbia which was conducted by a former chief justice of the province, Chief Justice Gordon Sloan. Apparently there was a lot of high-priced legal talent there and some of the QC's and others objected to Mr. Rigby appearing before the commission because he had not been admitted to the bar of the province. The Chief Justice, in his capacity as commissioner, very quickly set them back on their heels by saying that of all the briefs submitted to him regarding possible changes in the operation of workmen's compensation in British Columbia, the one presented by Mr. Rigby was the most lucid and penetrating; that far from disqualifying him from appearing before the commission, he wanted to tell everyone that he had made an impressive contribution to the question of possible changes in the composition of the workmen's compensation board of British Columbia.

• (3:50 p.m.)

I would suggest that if the Gill commission, and those responsible for the preparation of the white paper, had paid more attention to the analysis of the whole question of coverage for fishermen as presented in this brief we might not be playing around in the dark about an alternative plan which apparently the Minister of Fisheries and Forestry has not been able to produce in a manner satisfactory even to the government.

Indeed, as I look through this presentation in its earlier part which deals with general questions of principle in respect of the application of unemployment insurance, I find that many aspects of this bill which are being hailed by the Minister of Labour as advances, including one of universality and the technique of financing the plan above a certain level of unemployment, are all outlined by Mr. Rigby in his brief as a prelude in which he describes the special case of the fisherman. At page 13 of the brief he said:

> If the general principles we have advocated in the foregoing section of our brief were accepted as guidelines for a reconstruction of the act the present section would be unnecessary, except as an illustration of the deficiencies of the previous structure.

That is the section he refers to as the special case of fishermen. He goes on to point out the pattern and the conditions of groups of employees and workers excluded from the act which, as the minister might recall, included lumbering, logging, transportation by water and stevedoring. They were excluded under the original act. He goes on to cite the pattern of how one by one these groups were covered under the act, the fishing group being the last, in 1957. Mr. Rigby points out that while it is recognized that it is more difficult for fishermen to gain recognition of the fact that their occupation is different in form, but not in essence, from other industrial employments, they are engaged in employment which is essential rather than exotic or archaic. This is a follow-up of his earlier suggestion that fishing is historic, being among the very first of man's employment endeavours.

He goes on to deal with the question I touched upon about the unfortunate juxtaposition of the final agreement to cover fishermen, with a definite period of high unemployment and the drain on the fund which developed in 1957. He goes on to analyse the drain on the fund, which was commented on by the advisory committee, resulting from the terms and conditions under which fishermen were covered, pointing out that there was a great hue and cry about this annual drain on the fund. He also pointed out that in the general picture this was a pretty small part of the decrease in the fund because for the fiscal year ended March 31, 1958, the balance in the fund declined $134,241,000, in 1959 it declined $244,389,000 and in 1960 it declined $133,919,000. So as Mr. Rigby said:

> When these amounts are compared with the committee's own figures, purporting to represent the drain on the fund resulting from fishing coverage, we can only advance a subconscious need of finding a scapegoat to explain the following comments of the committee—

He was referring to what the unemployment insurance advisory committee said in its report dated July 27, 1960, as follows:

> The second major drain on the fund is caused by the extension of coverage to the fishing industry. The loss to the fund during the past three years has been approximately $23,000,000—

This is in response to what we were talking about in terms of a drop in the fund in the order of $500 million. This is a point I tried to argue at the time the coverage was being developed. I remember telling the then Minister of Labour that fishermen in British Columbia in their wildest dreams never expected the government to come up with the kind of plan it did which, as Mr. Rigby and many others have pointed out, has operated in such a way that those who need it least are the ones who benefit most.

I am trying to suggest that because of this sequence of events, and because the government initially came in with an ill-conceived plan for covering fishermen, it is assumed that there is something wrong with including fishermen in the plan. No one has really gone back to the fundamentals of what might have been done in the first place but was not done. I have here a copy of a resolution adopted by a fishermen group in British Columbia.

Mr. Mackasey: What year was it?

[Mr. Barnett.]

Mr. Barnett: This was a resolution adopted at the seventeenth annual convention of the UFAWU of 1961. In other words, this was about the time this question was being reviewed by the commission. These are the points they suggest should be considered as far as fishermen coverage is concerned. They said that fishermen should be fully integrated with other employees under the act in all respects, since the majority of fishermen combine fishing with employment in other industries whenever such employment is available. As a matter of fact, I well remember that at the time I expected the government to make it a condition of eligibility under the act that a fisherman make himself available for alternative employment and that he only claim benefits if the had done that and no other employment was available.

Mr. Jerome: Mr. Speaker, I rise on a point of order. Before you call it four o'clock, I wonder if unanimous agreement has been reached in respect of carrying on with this debate. There has been discussion and I believe there is disposition to continue this debate past four o'clock, in the hope that it will be concluded not later than 4.30. I think we are very close to the conclusion of the debate and perhaps by 4.30 we will have concluded it. At that time private members' hour could be started, to continue until five o'clock.

Mr. Bell: We have just one brief speech left.

Mr. Schumacher: Mr. Speaker, I rise to say that I cannot consent to this being done.

Mr. Deputy Speaker: The Chair has not asked for consent, but the hon. member for Palliser (Mr. Schumacher) has indicated he will not consent.

Mr. Mackasey: Mr. Speaker, I would ask the hon. member to reconsider. There is no intention to deny any member the opportunity to speak. We will provide time for anyone else who wants to participate, in addition to time for the regular private members' hour. We could, in effect, extend the time to allow anyone who wishes to do so to participate in private member's hour. I think the hon. member who was speaking has almost exhausted his time.

• (4:00 p.m.)

If we were to extend the time now it would provide an opportunity for other members representing fisheries areas to state their opinions. The hon. member has been very eloquent and I learned a lot about the fishing industry in the 40 minutes during which he spoke. The only thing remaining would be about five minutes for amendments and then we could move on to private members' hour and give the sponsors, to whom I apologize, an opportunity to speak during that hour.

Mr. Barnett: Mr. Speaker, on a point of order—

Mr. Deputy Speaker: Order, please. The Minister of Labour (Mr. Mackasey) has made a suggestion. It was four o'clock and there was not unanimous consent for the House not to proceed to private members' business.

If hon. members are in unanimity, as the Minister of Labour has indicated the House could continue the debate which was in process before four o'clock. But the Chair sees little purpose in hon. members expressing varying opinions. If there is unanimity I will put the question now.

Mr. Schumacher: Mr. Speaker, I apologize to members, but I misunderstood the situation and so far as I am concerned I am willing to withdraw my objection.

Mr. Robinson: Mr. Speaker, do I understand that the debate is to be adjourned at 4.30 so that private members' hour may commence at that time?

Mr. Deputy Speaker: The Chair wishes to be sure about this. Do hon. members wish the Chair to ask whether then the time of the debate is to be extended until 4.30, at which time the House will proceed to private members' hour? Is there agreement that this be done?

Some hon. Members: Agreed.

Mr. Deputy Speaker: It is so ordered.

* * *

BUSINESS OF THE HOUSE

Mr. Jerome: Mr. Speaker, may I announce that on Monday it is our intention to begin the day with the Judges Act, followed by the pilotage measure, then the clean air bill and at eight o'clock take the deferred votes on this bill. Then afterward—

Mr. Knowles (Winnipeg North Centre): Afterward would we have third reading on this bill?

Mr. Jerome: We would hope so.

Mr. Blair: Mr. Speaker, there have been discussions, I understand, and I wonder if I could have unanimous consent to revert to motions?

Some hon. Members: Agreed.

ROUTINE PROCEEDINGS

PROCEDURE AND ORGANIZATION

Eighth report of Standing Committee on Procedure and Organization—Mr. Blair.

GOVERNMENT ORDERS

UNEMPLOYMENT INSURANCE ACT, 1971

PROVISIONS RESPECTING INSURABLE EMPLOYMENT, COMMISSION BENEFITS, PREMIUMS, ADMINISTRATION, ETC.

The House resumed consideration of Bill C-229, respecting unemployment insurance in Canada, as reported (with amendments) from the Standing Committee on Labour, Manpower and Immigration.

Mr. Barnett: Mr. Speaker, if we continue to have points of order, and so on, we will soon reach 4.30. My point of order, which I am not making seriously, is in respect of the minister's remarks about my having taken 40 minutes. It may have seemed like 40 minutes to him but I am sure I had not taken up more than 20 minutes. However, I shall not make a deliberate attempt to continue for another 20 minutes.

I had been outlining some of the principles which might be followed in respect of coverage of fishermen as put forward in 1961 by the main fishermen's organization of British Columbia. They pointed out that employment in the fishing industry should be fully integrated with other types of employment. They suggested that so far as contributions are concerned there should be no distinction between contributions in respect of fishing and other employments.

In respect of benefits it is stated that every contributor should be governed by similar qualifications, whether for regular or seasonal benefits, without regard to the industry or industries in which he may have been employed. Secondly, in respect of weeks of employment it is stated that fisherman's earnings, whether payment is received by the trip or by seasonal settlement, should be averaged over all the weeks engaged in fishing, from the time he sets out for the fishing grounds to the time the boat is tied up at the end of his trip or season.

Mr. Speaker, I would comment on that matter but there is all this talk about it being difficult to determine whether or not a fisherman is actually working. I suggest that a large part of this question has been conjured up. Indeed, the time a fisherman is or should be working is determined by regulation made by the Department of Fisheries and Forestry. It would not be at all difficult to develop a formula which would in fact meet the need clearly in respect of when the man who calls himself a fisherman was working so far as the purposes of this act are concerned. The submission goes on to talk about the system of working out the weekly earnings. I am attempting to condense this a little in the hope that the minister may agree to further consider these matters. The brief reads:

> In case of high earnings during a good season not only would higher contributions be paid but it would also be equitable for an additional waiting period to be established (by some formula to be based on earnings as shown by contribution record) before a benefit could be paid, in case of unemployment immediately following fishing employment.

This is a perfectly reasonable proposition and I think it is one which could be worked out if there were in fact a determination to do it—but in my submission there never was such a determination at the time the plan was first introduced. The basic concern at that time by members of the government who were able to persuade their colleagues to go along with this type of coverage—I believe I am correct in my analysis—was to provide immediate assistance to those who earned a living as fishermen on the Atlantic coast of Canada. In my view the legislation was rushed through without proper consideration. Then, because of the developments I have tried to outline, the

quick conclusion was reached that it really was not a very practical arrangement to try to cover fishermen.

The only other point I should like to emphasize before I sit down is that in the brief of Mr. Rigby there is a very penetrating analysis of the question sometimes referred to as the difference between self-employed people and those who have a direct hourly contract for the payment of wages. He points out that unless one were to accept the principle that anyone whose income comes from a piece-work system is to be excluded from the coverage of the act, there is really no more logical basis—if one understands the nature of the fishing industry and the historical pattern on which it has developed—under which to exclude fishermen, whether they be sharesmen or lone fishermen, from the coverage of the act than there is to provide coverage to any other group of industrial workers.

Hopefully, some day I shall be able to say the computerizing of administering of the act has been a good thing—but surely the necessary data upon which a reasonable plan could be developed on a permanent basis is much simpler to obtain today than it was in 1957! Therefore I would seek the support of the House on these two amendments which in effect say that the commission would be directed to provide proper coverage for fishermen and a plan which would be in effect unless and until it was amended by direction of the Parliament of Canada.

• (4:10 p.m.)

Mr. Lloyd R. Crouse (South Shore): Mr. Speaker, I rise to speak briefly—and I assure the minister that I will be very brief—on the two amendments before the House. The amendments were moved by the hon. member for Comox-Alberni (Mr. Barnett), but I assure the House that there are other reasons for opposing them. The bill states that notwithstanding anything in this act, the commission, with the approval of the Governor in Council, may make regulations for—

(a) including as an insured person any person who is engaged in fishing (hereinafter in this section called a "fisherman"), notwithstanding that such person is not an employee of any other person;

Those of us who have been closely associated with the industry for many years realize that a fisherman is a self-employed person. He has been classified as being a sharesman in a joint venture and as such he can be classified as a self-employed worker. However, in an effort to take care of some of the exigencies of the industry and some of the hardships with which fishermen have been faced over the years, it was decided, although they are sharesmen in a joint venture, to make them eligible for unemployment insurance benefits and therefore fishermen pay a certain percentage of the cost while shipowners at one time, and now buyers of fish, pay the other percentage. When the weather in inclement, or during the winter months when it is impossible to carry out fishing operations, fishermen in turn receive benefits.

This is spelled out in the bill and I find no fault with the wording. Paragraph (b) of clause 146 provides:

including as an employer of a fisherman any person with whom the fisherman enters into a contractual or other commercial relationship in respect of his occupation as a fisherman—

These words adequately cover the situation. There are, for example, many forms of fishing activity. They start out with inshore fishermen operating alone in their boats and they carry on through to the deep sea operation where 20 or 25 men operate a commercial fishing trawler or dragger. In all cases there are times when these men may, through no fault of their own, find themselves unemployed.

We know of the recent example of mercury pollution which affected a large segment of the fishing industry which operates out of my home town of Lunenburg, Nova Scotia. I refer to the deep sea swordfish fishermen. Without the benefits provided by an act of this type it is certain that some of these people would have suffered genuine hardship. Therefore I find these amendments rather strange and complex. I find it almost impossible to understand them. Amendment No. 18 seeks to delete the following words from clause 146:

Notwithstanding any other provision of this act, premiums collected pursuant to any regulations made under this section shall be paid into and credited to the Consolidated Revenue Fund—

These are the key words.

—and benefits paid pursuant to any such regulation shall be paid out of and charged to the Consolidated Revenue Fund.

The key words are "benefits paid", as I read this section of the bill and I for one cannot vote for the deletion of this section of the bill.

Mr. Barnett: Would the hon. member permit a question? Does the hon. member not realize that what this means is that these moneys are to be paid into and credited to the Consolidated Revenue Fund, instead of generally being paid out of the Unemployment Insurance Fund account as is the case for everybody else who is covered? The point is not that the money would not go in and out of the fund, but that it would go in and out of the unemployment insurance account of the fund.

Mr. Crouse: I can only interpret what I read in the bill, and these are the words that become part of the statutes of Canada. The words are very clear. They say that benefits will be paid out of the Consolidated Revenue Fund. As I understand it, this wording is used in view of the circumstances under which fishermen operate. But I would point out to the House that our fishermen, in times of real hardship, are not overly concerned about the source of payments under unemployment insurance. They are concerned about the protection provided by the unemployment insurance plan. I am a representative of a large area where inshore fishermen as well as deep sea fishermen operate and I would be loath to see any changes made which would affect their benefits.

The second amendment calls for the deletion of subclause 3 which provides:

This section shall be repealed on a day to be fixed by proclamation.

I cannot vote for this amendment because we would be projecting ourselves into the future not realizing the intent of the minister or the exact nature of the legislation which he plans to introduce. I hope I will be in this House to see the legislation and will have an opportunity to study it, and after studying the plan which the minister and the government propose to put forth I will reach a decision on whether to support or reject it. But I believe that at this time it would be premature to vote against these clauses in the bill and to reject them, because we do not know the type of legislation which the government will be introducing in the future for our fishermen. With these remarks I have indicated the position of our party and the reasons we cannot do other than vote for the bill as it stands.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, in view of the lateness of the hour I want to say that the hon. member for South Shore (Mr. Crouse) has expressed his point of view very succinctly and I do not think I could do better. I am impressed by his contribution. He made his points briefly. If he had had more time he would have elaborated on some of the problems which fishermen of this country face. Mercury pollution might be one.

What we are doing here is in effect ensuring that they receive their benefits. Their payments are coming out of the Consolidated Revenue Fund. We are asserting here for the first time our moral obligation to the fishermen and the realization that they have particular problems and it is the obligation of the government to help them. The question in the future will be whether the best way of helping them is through unemployment insurance or through another plan that meets with their approval and it will be our responsibility to bring in an alternative plan to provide stabilization, rationalization and a guaranteed income for our fishing industry.

Employed fishermen who in the regulations are classed as employees will be the responsibility of the minister of the environment and fisheries. We are saying that until a plan is brought in which will meet with the approval of the House and the representatives of fishermen, they will be covered by unemployment insurance and entitled to the new benefit structure as will any other Canadian. If we did not have this section in the act, employed fishermen would not be able to qualify in the same way as other employees. Therefore, our provision is badly needed and I would urge that the amendment be rejected.

• (4:20 p.m.)

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I do not rise to speak on the substance of the matter but to call attention to an error in clause 146, which is the one being amended. Perhaps the minister's officials would note it. In line 9, after "146" I think there should be the figure "1" in brackets in the English text, just as there is in the French text.

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

Some hon. Members: Question.

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

Some hon. Members: Carried.

Mr. Deputy Speaker: All those in favour of the motion will please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the nays have it.

Mr. Knowles (Winnipeg North Centre): On division.

Mr. Deputy Speaker: Negatived on division.

Motion No. 18 (Mr. Barnett) negatived.

Mr. Deputy Speaker: This note also disposes of motion No. 19. We now have for consideration the last motion, No. 20. Mr. Mackasey, seconded by Mr. Macdonald (Rosedale), moves:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by striking out lines 21 to 24, inclusive, at page 95 and by substituting therefor the following:

"(c) paragraph (a) of subsection (2) of section 3;

(d) Parts I, II, V, VI (except paragraph (b) of subsection (1) of section 135 thereof) and VII; and

(e) sections 146, 150 to 157, 159 and 160;"

Is it the pleasure of the House to adopt the said motion?

Some hon. Members: Carried.

Motion No. 20 (Mr. Mackasey) agreed to.

Mr. Deputy Speaker: As hon. members will recall, this leaves for consideration motion No. 3 which was stood yesterday. It was put yesterday and is before the House for consideration at this point.

Mr. Lincoln M. Alexander (Hamilton West): Mr. Speaker, I do not think I have to repeat what was said yesterday. This motion almost went through except that there was some confusion about the wording. In order to make it acceptable and achieve what was intended, I will read the amended motion now, hoping that it will be acceptable to the government. The motion will read:

That Bill C-229, an act respecting unemployment insurance in Canada, be amended by adding next after subclause (1) of clause 4, following line 35 at page 5, the following:

"(2) The Commission may, with the approval of the Governor in Council and subject to affirmative resolution of Parliament, make regulations for including in insurable employment any person who is employed or otherwise engaged in a business within the definition of "business" in the Income Tax Act." and renumbering subsequent subclauses accordingly.

The intention of this motion is to include self-employed persons in the event that they would want to come under the plan.

Hon. Bryce Mackasey (Minister of Labour): Mr. Speaker, I wonder if I may speak briefly to the motion of the hon. member for Hamilton West (Mr. Alexander). We have had discussion about it and his amended motion as far as it goes is quite acceptable to the governement. However, in view of the fact that we intend to amend motion No. 3, in the few minutes left may I refer to the committee discussion about whether or not Members of Parliament should be included in the unemployment insurance plan. There was a sharp division of opinion, for various reasons. Some felt that we should be included, particularly school teachers who said we were imposing something on them that we were not prepared to impose on ourselves. Another school of thought was that by including ourselves under unemployment insurance we would be protecting those of us who may not be back here next June. I have wrestled with this problem in the interval.

No one wants to be included in unemployment insurance just for the purpose of accepting benefit but most of the members of the committee were prepared to be included, as an example to school teachers and others. Mr. Speaker, you may want to dispose of the hon. member's amendment to clause 4 first and then I may be permitted to introduce another amendment.

Mr. Deputy Speaker: Is the minister suggesting an amendment, in addition to the motion put forward by the hon. member for Hamilton West (Mr. Alexander)?

Mr. Mackasey: It would be an amendment to the same clause, Mr. Speaker.

Mr. Deputy Speaker: If the minister would like to conclude his remarks I will ask for consent on both amendments at the same time.

Mr. Mackasey: The purpose of the amendment is simply to permit the Unemployment Insurance Commission, by regulation in the future—this does not mean it will happen—if after further consultation over the winter months or during the next session of Parliament it were felt desirable that members of the House of Commons should be included after the next election, to rule that this could be done. It would mean adding the following paragraph to the clause, stating "the tenure of an office as defined in the Canada Pension Plan."

Members of Parliament are covered under the Canada Pension Plan. All the amendment would do is permit the Unemployment Insurance Commission to include Members of Parliament, by regulation—at least those of us who have tenure of office as defined in the Canada Pension Plan—if at some future date it was felt desirable to do so.

Mr. Knowles (Winnipeg North Centre): Mr. Speaker, I think this is a happy solution to the problem and I hope it can be accepted between now and 4.30.

Mr. Stan Schumacher (Palliser): Mr. Speaker, I find myself in a rather difficult position. In view of the fact that there seems to have been general agreement expressed among parties, I hope it will be understood that at this time I am speaking as a private member. I would like an opportunity to put on the record my views concerning this matter. I appreciate the intent of the hon. member for Hamilton West (Mr. Alexander) and of the other persons involved in agreeing on the proposed amendment. It appears to me that their intention is to allow small private businessmen to come under the plan if they wish to do so. However, I do not think we are reaching any happy solution this way.

We must understand our system of government when considering these matters. If the executive decides that a certain group is to be included, a resolution will be proposed to Parliament and it can be pushed through without any real demand from the people concerned. What is wanted is an amendment allowing people to come under the plan if they wish to do so.

During discussion of this bill we had examples of groups of people, in particular school teachers, who did not want to come under the plan. As a result of the provisions of the bill there will be fewer people outside the plan. I fail to see how the amendment as proposed, in operation will be voluntary in nature. It will permit a government, by resolution, to bring additional people under the plan even though this may be against their wishes, and they will not be in position to defend themselves. If people want to come in, then by all means they should have that privilege; but it should be on their initiative and not the initiative of the Parliament of Canada as appears to be the case with this amendment.

• (4:30 p.m.)

Mr. Mackasey: I think the hon. member's remarks, which were pertinent, refer primarily to the amendment of the hon. member for Hamilton West. What it does is permit the Unemployment Insurance Commission upon request to define certain self-employed people as employed people and employees for the purpose of the act—taxi drivers, barbers and small entrepreneurs who need this type of coverage. It gives the Unemployment Insurance Commission the right to cover them by regulation in future if it is found desirable. I think that primarily what the hon. member had in mind was that it does not have to come back to Parliament and if it is found desirable in the view of hon. members, the commission would have the power to adjudicate on the question. I think this is all it is intended to do.

Mr. Schumacher: Can I ask the minister a question? Did I understand him to say that even though the commission can make regulations covering a certain group, they still will not have to come under this coverage?

Mr. Mackasey: It simply involves the subject of universality. Teachers are no problem; they are identified as employees and they are included. Although we have been asked to bring in self-employed people, we have found it administratively impossible as a general rule. However, there can be exceptions. What the hon. member's amendment does is permit the Unemployment Insurance Commission, by regulation, to bring in particular groups of people where there is an administrative problem.

Mr. Knowles (Winnipeg North Centre): I wonder whether the member for Palliser (Mr. Schumacher), having stated his position, would not at least be willing for the amendments to be put to the House, realizing that that part of it takes unanimous consent. He could vote against it and perhaps speak against it again on third reading. I think there is a general desire among all parties that both these amendments, the one by the hon. member for Hamilton West (Mr. Alexander) and the one by the minister, be placed before the House.

Some hon. Members: Question.

Mr. Deputy Speaker: I must ask hon. members for consent to deal with the question in that way. It would seem that procedurally we should withdraw motion No. 3 proposed by the hon. member for Hamilton West (Mr. Alexander) and then put the amending motions. Would that appear to be the situation?

Some hon. Members: Agreed.

Mr. Deputy Speaker: Is it agreed that motion No. 3 as put yesterday is to be withdrawn?

Some hon. Members: Agreed.

Motion No. 3 (Mr. Alexander) withdrawn.

Mr. Deputy Speaker: The Minister of Labour (Mr. Mackasey) moves the following motion:

That Bill C-229 (reprinted as amended and reported by the Standing Committee on Labour, Manpower and Immigration) be amended

(a) by striking out line 32 on page 5 thereof and substituting therefor the following:

"thereto"

(b) by deleting line 35 on page 5 and substituting therefor the following:

"consent thereto; and"

(c) by adding immediately following paragraph (f) of subclause 1 of clause 4 on page 5, the following paragraph:

"(g) the tenure of an office as defined in the Canada Pension Plan".

Is it the pleasure of the House to adopt the said motion?

Motion (Mr. Mackasey) agreed to.

Mr. Deputy Speaker: Pursuant to the order made earlier today, the divisions which have been deferred at the report stage of this bill will be called at eight o'clock on Monday evening.

In accordance with the order made earlier today we will now proceed to private members' business.

Criminal Code

PRIVATE MEMBERS' PUBLIC BILLS

CRIMINAL CODE

PROVISION FOR REMOVAL OF OFFENCE OF VAGRANCY

Mr. Kenneth Robinson (Lakeshore) moved that Bill C-45, to amend the Criminal Code (vagrancy), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I first had the opportunity to present this private members bill on November 7, 1968. I was prompted, in part, to present such a bill by an article that appeared in the Toronto *Telegram* on October 24, 1968, entitled "Vagrancy charge threat scares off students Biafra Sleep-in" and also because as a lawyer I have on occasion acted as counsel for citizens charged with vagrancy, and as a social worker I looked into the problem to some extent when I was preparing my master's thesis some ten years ago.

I welcome this opportunity to bring before the House a matter that seems to me to require the close scrutiny of hon. members. I am not talking about a problem that has only recently arisen, nor am I speaking of a situation that necessarily requires an immediate remedy. What I am saying is that since the introduction of the original Criminal Code there has been perpetuated in successive statutes an offence that runs contrary to the best principles of criminal justice.

I would hope that if the members of the House do not see fit to support me in this motion, the Minister of Justice (Mr. Turner) might consider including the subject matter of this bill in the proposed omnibus bill on the Criminal Code to be introduced later in the session. I am of course referring to the crime of vagrancy as defined in section 164(1)(a) and (b) of the Criminal Code, which reads:

(1) Every one commits vagrancy who

(a) not having any apparent means of support is found wandering abroad or trespassing and does not, when required, justify his presence in the place where he is found;

(b) begs from door to door or in a public place;

What you have just heard is a law which deals with individuals who have the misfortune to be poor and unemployed at a time when Canada has perhaps the greatest number of people unemployed in its history. Vagrancy is a crime of status which brands a convicted person as one who has failed to live up to the demands of society as far as pulling his own weight is concerned. Thus, vagrancy arrests serve our aesthetic sensibilities by removing temporarily an unsightly group of men from the streets. A conviction for vagrancy is punishment for conduct of the individual which in no way impinges on the rights or interests of others, and which has in no way been demonstrated to have anything more than the most tenuous connection with the prevention of crime and the preservation of public order.

In practice, vagrancy statutes today are used against (a) alcoholic derelicts and other unfortunates whose only crime, if any, is against themselves and whose main offence usually consists of their leaving the environs of

skid-row and disturbing, by their presence, the sensibilities of residents of nicer parts of the community, or (b) suspected criminals with respect to whom the authorities do not have enough evidence to make a proper arrest or secure a conviction on the crime suspected.

Vagrancy statutes are however, couched in equivocal terms. As such, they may be applied at one time or another to any and every citizen, law-abiding or lawless. This is where the danger of their application lies. For example, university students are notorious for living without apparent means of support. The greater danger lies, however, more in groups that have traditionally been an anathema to law enforcement officers, the so-called "hippies" who tend to inhabit the larger urban centres of Canada. This group, too, lives without apparent means of support and yet contrary to popular belief infrequently presents any real danger to public order or peace.

• (4:40 p.m.)

What is involved here is a life style outside the customary life style of Canadian society. Unlike those in the general milieu, people in this secondary culture do not have to have means of support or justification for their presence in order to be accepted by others in society. But the vagueness of section 164 allows selective and discriminatory enforcement against just such a minority without any proof of particular harm. I do not intend to fault the police for this. Any time there is an opportunity for abuse it is natural for abuse to result.

This has not been simply my own analysis. It is that also of Ronald Crenshaw, writing in the South Dakota Law Review in the spring of 1970, of Gary Dubin and Richard Robinson in the January, 1962, edition of the New York University Law Review, of Raymond Nimmer in Judicature, volume 54, August-September, 1970, of William Sydney Davis, Jr., in volume 35 of the Tennessee Law Review, of the editors of the Washington University Law Quarterly, and of Cliff Nelson and Ray Steele in the January, 1970, issue of the Osgoode Hall Law Journal.

There are those who will argue that the American vagrancy laws are different from those in Canada. I can only say that they are correct, at least in one sense. The wording of the legislation does differ from jurisdiction to jurisdiction. But—and this is far more important—all vagrancy laws have a common origin, common purpose and a common pattern of enforcement. Others will say that the 1953-54 amendments to the Criminal Code did away with the concept of status criminality and replaced it with conduct criminality, meaning that a vagrant is no longer arrested simply for "being" a particular kind of person but only for "doing" something proscribed by law. In technical, legal theory those who take issue in this manner are probably correct.

The then Minister of Justice, Hon. Mr. Garson, argued to this effect in the 1953-54 session, is found at page 2274 of *Hansard*. In fact, however, such an argument is statute semantics. In practice the offences consist not in doing, but in being. You have only to look at section 164(1) of the Criminal Code. As far as I am concerned, the gravamen of the offence in subsection (1)(c) is "being a prostitute". Anyone else found in a public place does not have to give a good account of himself or herself.

Even under subsection (1)(a) there is an additional requirement that the individual must have no apparent means of support. Thus, under subsection (1)(c) the particular conduct is proscribed only if the individual involved is a common prostitute. Surely, where the essential element of the offence is status, then the crime is itself a crime of status. In this particular subsection of the act there is an additional distasteful hypocrisy. Most Canadians believe that prostitution is an offence. It is not. The Minister of Justice quoted correctly during debate of the Criminal Code amendments in the 1953-54 session, at page 2286 of *Hansard*, as follows:

> The mere fact that a woman is a prostitute, however, does not make her a vagrant—

Prostitution in Canada is completely legal. Only if all the constituent elements of section 164 (1)(c) are met—I hesitate to use the word "satisfied"—does it become a crime. Thus, we have the odd case of a naked prostitute who is found not guilty because her policeman client had not asked her to give a good account of herself before he arrested her. If, as some people assert, subsection (1)(c) is intended as a public health measure, it would be better to establish regulations outside the Criminal Code. If not, then I would suggest, without being in favour of such a move, that prostitution itself be proscribed. This discussion is, however, peripheral to the subject matter of the bill now before the House, which seeks the repeal of subsections (1)(a) and (1)(b) of section 164 of the Criminal Code.

There is some history to vagrancy and it is important to realize that all vagrancy statutes owe their origin to the Statutes of Labourers passed in England in 1349 and 1350 confining the labouring population to stated places and fixing wages at specific rates, largely because of the shortage of labour engendered by the black plague and the increasing transient nature of the population followingt he enclosure laws.

This original rationale later gave way to the "probable criminal" theory, and thus to economic and status criminality. The justification for the original vagrancy law, as carried over now in its application, was threefold: first the Protestant ethic dictated that work was necessary for the preservation of society; therefore the vagrancy laws encouraged the idle and the indigent to engage in productive activity and thereby to contribute to the general social and economic welfare. In this way vagrants were discouraged from becoming dependent on public assistance or charity. Second, the state had a right to recognize social sensibilities and to protect the decent citizens of the community from contact with undesirable elements of the general population. Third, since idleness was conducive to criminality, vagrancy laws prevented crime.

The problem, of course, is that the laws originating in this rationale have now become embodied in the Criminal Code. The vagrancy concept operates on a theory of suspicion causation and ignores actual causation. But in

traditional criminal theory there must be a relationship between the harm to be prevented and the behaviour punished. With vagrancy offences, the essential elements of criminal theory, that is, conduct and causation, are ignored or distorted in an attempt to prevent crime through the punishment of vagrancy. The customary *mens rea* and *actus reus,* the guilty mind and the guilty act, are clumsily passed over in an arbitrary and inefficacious attribution of criminal responsibility. The results are nothing short of catastrophic.

Police forces are able to use the vagrancy provisions with unparalleled ease. First, with respect to a substantial proportion of suspects, and despite existing legal aid plans, the utter impotence of the accused is usually ample guarantee that he will not employ lawyers or otherwise annoy the police. Second, the vague definitions of "vagrancy" confer on an officer a discretion so broad that technically he can seldom be held not to have had reasonable and probable cause for the arrest. Arrests on suspicion, discriminatory enforcement and capricious administration are all made possible by the continued existence of the offence of vagrancy. There is probably not a member in this chamber, and certainly no lawyer, who does not know of abuses under the present vagrancy laws.

This then is the extent of the problem. What are the solutions? It is undoubtedly necessary to give the police some residual power to prevent crime in its inception and to apprehend persons who in the police officer's opinion are seeking the opportunity to commit crime. In my view this is a justifiable purpose of the criminal law, but it is also ill-served by present legislation. What I would suggest is something along the lines of the American Uniform Arrest Act, permitting the detention and questioning of persons whom a peace officer has reasonable and probable grounds to suspect of committing, having committed or being about to commit a crime.

This detention and questioning would be for a limited time—two hours under the Uniform Arrest Act—and would not be recorded as an arrest in any official record. At the end of the detention the person detained would have either to be released or arrested and charged. The advantage of such a system, hopefully, would be that it would be confined to the true criminal element in society and would inhibit harassment by police of those who now fall under section 164 (1(a) or (b). Furthermore, the principles of arrest would be consistent with those of traditional criminal theory.

With regard to the other elements of society who have the great misfortune to fall within the purview of the present vagrancy laws, there is no justification for dealing with them under the criminal law. Either they commit a crime or they do not. For these people the vagrancy conviction is an unpleasant though generally brief interference with an otherwise undisturbed pattern of life. If it provides anything at all, the process of arrest, conviction and sentencing provides only minimal temporary assistance. Recidivism rates for vagrancy demonstrate that no more than short-term help is provided.

• (4:50 p.m.)

The obvious way to treat these people is not through the criminal process, which is already greatly overburdened both in terms of case loads and in terms of inadequate facilities for treatment, but through adequate social legislation. A master of social work thesis completed at the University of Toronto in 1960 and entitled "Public Attitudes Toward the Criminal Transient" states:

> The work-shy constitute only a minute fraction of the whole population of tolerably able bodied and able minded men and women. It appears that if jobs are available, most people have shown a readiness to try them out. If you exclude the obviously unfit, the number of near unemployable is practically negligible, and idleness has proved to be far more a matter of faulty social and economic organization than a personal shortcoming.

Failing the introduction of an adequate social organization, it can still be argued that attribution of future criminality to vagrancy is for the most part unfounded in fact. The only conclusion I can reach is that there is no justification for the unique treatment now afforded so-called vagrants under the Criminal Code. My conception of criminal law does not encompass the serving of aesthetic sensibilities by removing an unsightly and often unattractive group of individuals from public view, and yet in my opinion this is, on analysis, the only possible rationale for the retention of vagrancy offences in the Criminal Code.

In conclusion I should like to thank hon. members present for their attention. Section 164 of the Criminal Code does not include the specific reference to the person who "lives without employment" that was contained in section 238A of the old code. Yet, Nelson and Steele are forced to conclude that in effect the section still deals with the down and out, the unemployed and the unemployable. In my opinion the vagrancy provision forms the catch-all when no more specific offence can be pinpointed. It is the direct ancestor of a long series of penal enactments ordering imprisonment, flogging, enslavement and death whereby the English legislature strove some 700 years ago to grapple with a steadily mounting migratory population. It was legislation designed to correct, among other things, the evils arising from the mendicancy of such wanderers as did not obtain employment and the dishonesty of many of those who did not even seek it. It has now become an anachronistic survival of a past age, unjustified in principle and abusive in application.

Mr. Speaker, I submit that a criminal sanction to enforce an Elizabethan Poor Law concept is grotesquely out of step with the current evolution of criminal justice. Surely in this twentieth century it should no longer be a crime to be poor. I hope all hon. members will support me in this bill.

Some hon. Members: Hear, hear!

Mr. Knowles (Winnipeg North Centre): Carried.

Mr. D. Gordon Blair (Grenville-Carleton): Mr. Speaker, I am sure we are all indebted to my hon. friend from Lakeshore (Mr. Robinson) for raising this important question. Society has advanced greatly in the past few

years. There must be very few people nowadays who think the proper treatment of people who are styled as vagrants and who are really, for the most part, unfortunates in our society, is to class them as criminals. The problems which they face and which they create are not properly problems for the criminal law but, rather, as my hon. friend has said, questions of social justice. He has proposed that two only of the governing paragraphs in the section should be removed. There is a third about which he has spoken and which in a modern society is equally offensive—the one which deals with common prostitutes and which many women find an offensive relic of the past.

There is very little I can add in the time available to the excellent argument which has been presented by my hon. friend from Lakeshore. It might be of interest to the House to know that there are people in this country who have given deep consideration to the vagrancy laws and have advocated their abolition and the substitution of other methods of treatment. I cite first the recent report of the Canadian Committee on Corrections, which states at page 392:

> The inappropriateness of most of our present methods of handling such behaviour is a matter for concern in relation to both men and women offenders. The fact that there has been little use in Canada of shelters other than a jail can be assumed to be related to our failure to provide the appropriate alternate resources rather than to a conscious decision that the treatment of vagrancy should be equated with the treatment of other "crimes".

This report, together with the recent report on the Status of Women, indicates how discriminatory these provisions have been against women in this country. At page 371 of the report of the Royal Commission on the Status of Women the following is said:

> Even though they have committed no offence, many young girls are arrested and charged with vagrancy, simply because they do not have homes or money or because there is no place to send them for the night. It is relatively easy for homeless men to find shelter in hostels in most large cities but there are few hostels for women. Most charges of vagrancy are not contested and, once convicted, these girls will have a criminal record. They may also have their first encounter with criminals while they wait in prison for their court appearance. The commission considers section 164(1) (a) of the Criminal Code unsound in its treatment of vagrants because we hold that vagrants are not criminals.

At five o'clock the House adjourned, without question put, pursuant to special order.